The NATIONAL UNDERWRITER
Life Insurance Edition

FRIDAY, APRIL 5, 1957

THE NATIONAL UNDERWRITER, Life Insurance Edition. Published weekly by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 61st year, No 14, Friday, April 5, 1957. $7.50 per year (3 years $20); Canada $8.50 per year (3 years, $23); Foreign, $9 per year (3 years, $24.50). 30 cents per copy. Entered as second-class matter June 9, 1900, at the post office at Chicago, Ill., under the Act of March 3, 1879.

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61st. Year, No. 14
April 5, 1957

The National Weekly Newspaper of Life Insurance

James F. Oates Jr. Named President of Equitable Society

Chicago Lawyer Becomes Chief Executive Officer of N. Y. Company June 1

NEW YORK—James F. Oates Jr. of Chicago, chairman and chief executive officer of Peoples Gas Light & Coke Co. of Chicago, was elected president and chief executive officer of Equitable Society Monday. He will take office June 1. He has been a director of Equitable since 1955.

James F. Oates Jr.

Ray D. Murphy, who has been chief executive officer since 1953, first as president, later as chairman, and in both capacities since the recent resignation of Charles W. Dow, has agreed to remain for a year for consultation and advice, as chairman of the board. Mr. Murphy joined Equitable in 1913, was for many years its actuary, and is widely known as an authority on the life insurance business.

Mr. Oates has a life insurance family background. His father was for 30 years a general agent at Chicago for Northwestern Mutual Life. Mr. Oates is a director of First National Bank of Chicago, International Harvester Co., Great Northern Railway, and Miehle, Goss & Dexter, Inc., machinery manufacturers, and American Gas Assn.

Before becoming head of Peoples Gas Light & Coke Co. in 1948, Mr. Oates practiced law in Chicago for nearly 25 years, most recently as a member of Sidley, Austin, Burgess & Smith. He is a member of the American and Illinois bar associations and served as president of Chicago Bar Assn. He is a graduate of Northwestern university law school and graduated from Princeton in the class of 1921. He has been a trustee of Northwestern university, an honorary trustee of George Williams college of Chicago and is now serving as an alumni trustee of Princeton.

Mr. Oates has served on the board of Chicago Assn. of Commerce & Industry, the Community Fund and other professional and social organizations; he is immediate past president of Commercial Club of Chicago, and is a director of Museum of Science & Industry, Chicago Sunday Evening Club.

In congratulating the policyholders and the Equitable organization on obtaining a man of Mr. Oates' broad executive capacity and demonstrated leadership, Mr. Murphy emphasized that the selection was made after extensive consideration by a committee of the board of directors of the qualifications necessary for the position, "including the spirit of devotion to public service which Mr. Oates' career has so amply demonstrated."

Metcalf Bills Die With Adjournment of N.Y. Legislature

ALBANY—The New York legislature adjourned without passing the Metcalf bills, which would have required individual hospital, medical and surgical contracts to be written only on a guaranteed cost, guaranteed renewabe and non-cancellable basis for life. The two sets of five companion bills still were before senate and assemby committees when the session ended.

The bills were opposed by American Life Convention, Health Insurance Assn. of America, Life Insurance Assn. of America, and others. Support for the bills came from a variety of sources, including some non-profit health insurance organizations. Their views were aired at a 5-hour Albany hearing conducted by Sen. Metcalf, Republican, of Auburn.

The life of his joint legislative committee on health insurance plans was extended for another year shortly before the legislators went home. The committee received $35,000 to carry it until next April 1.

The committee's bills were based to a great extent on a study conducted by Columbia university school of public health and administrative medicine.

Observers on both sides of the fence do not see much chance for introduction of the same bills at the next session.

Meanwhile, the New York department is meeting with interested parties to draft a questionnaire to be sent to A&S insurers about coverages, provisions and complaints. The department's complaint bureau also is supplying information. Working with the department are representatives of the companies, the Metcalf committee and other state agencies. It is expected that results of the study will be ready for the legislature late this year.

Beneficial Life Dedicates New $1 Million Building

Beneficial Life this week dedicated its new, million dollar eight-story annex at 57 West South Temple in Salt Lake City. The new building is next door to the company's existing home office building, a six-story structure that has been modernized and air-conditioned.

The dedication ceremony was attended by the governor of Utah, the mayor of Salt Lake, prominent citizens of the Inter Mountain Empire, officers and directors of Beneficial Life, and the 26 general agents of the company.

Quaife M. Ward Is Named by MDRT as Executive Director

The executive committee of the Million Dollar Round Table has appointed Quaife M. Ward, formerly assistant to the president of American Retail Federation of Washington. D.C., as its executive director. The announcement was made by Howard D. Goldman, MDRT chairman, in a letter sent to the membership this week.

Quaife M. Ward

Mr. Goldman, who is general agent of Northwestern Mutual Life for Virginia, advised the MDRT members that for some time it has been the executive committee's considered judgment that the services of a competent executive director would be most helpful in meeting the growing problems arising out of greatly increased membership and maintenance of various services and the annual meeting programs at the high levels expected by the members.

"We first offered the position to Harriet Preinitz, our executive secretary since 1949," Mr. Goldman wrote the members. "It was her choice not to be considered but she remains, happily for us all, as our executive secretary."

Mr. Ward has been with American Retail Foundation, since 1953. His work there included contacts with members of Congress, staff members of House and Senate committees, and with administrative agencies of the government. For about a year before joining the federation he was an associate professor and the director of the alumni fund of Iowa State college, of which he is a graduate. From 1947 to 1952 he was community relations field representative and later executive manager and secretary of the Illinois Chain Store Council, with headquarters at Chicago. Before that he was with Raybestos-Manhattan Co. at Chicago for two years, following four years with General Electric Co. at Cleveland and Schenectady.

In his letter to the members, Mr. Goldman emphasized that "no one on the executive committee has the slightest fear that adding an executive director will change the fundamental character of our Round Table, nor the volunteer basis (primarily) by which it functions."

FTC Examiner Says Inter-Ocean Case Should Be Dismissed

State Doing the Job of Regulation, FTC Needn't "Display Power"

WASHINGTON—Loren H. Laughlin, Federal Trade Commission examiner, has issued an order which, if upheld by the full FTC, would dismiss the complaint of A&S misrepresentation against Inter Ocean.

The examiner based his action on the fact that the insurance commissioner of Indiana already has specifically regulated the advertising practices of the company. "There is no further present duty for this commission to perform in the public interest."

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The Indiana commissioner's order with respect to the misrepresentation charged by FTC, though it does not exactly conform to the type order FTC would issue, "in practical effect has accomplished exactly the same purpose," the examiner stated. He added that for FTC not to issue a "substantially duplicitous cease and desist order merely to display whatever power it may have over respondent would be like beating a dead horse where the only effect would be to ruin the commercial value of its hide."

While noting that legally the Indiana order has no effect beyond that state, the examiner stated that practically speaking any order of a domiciliary state has an actual reach as wide as the spread of the domestic insurer's business.

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In a case of this type, the examiner said, FTC must establish jurisdiction and public interest. Lack of either element calls for a dismissal.

While FTC has ruled "in very broad and sweeping final decisions" that it has jurisdiction over insurers selling and advertising in interstate commerce, it has not decided to what extent, if at all, it will consider, either on the issue of jurisdiction or public interest, the question of actual effective enforcement by states.

Action such as Indiana's, the examiner said, if taken by all states, "would fully relieve FTC of the heavy burden of further policing a business which can be effectively regulated at state level if the commissioners will act. Such activity would certainly effectuate the essential aim of public law 15," he declared.

Chicago H. O. Underwriters Slate Meeting for April 11

Chicago Home Office Life Underwriters Assn. will meet at 6:30 p.m. April 11 in Toffenetti's restaurant, 72 West Randolph street. Republic National Life of Dallas will be host at a cocktail party preceding the dinner. E. F. Brewer, underwriting vice-president of Republic National, will speak on "Underwriting Trends."

Late News Bulletins . . .

Mutual Benefit Names McQueen Group Director

Robert C. McQueen has been elected director of group insurance of Mutual Benefit Life. The company last October announced its intention to enter the group field. Mr. McQueen has been with Union Central where he was assistant actuary and, from 1955 to 1957, group actuary. From 1945 to 1949, he was with Equitable Society as assistant mathematician and later as mathematician. He if a fellow of Society of Actuaries.

Public Relations in Life Insurance Coming of Age

NEW YORK—Public relations in life insurance is coming of age through advertising, as being the most efficient way of getting something said to countless numbers of people, Melville P. Dickenson, senior vice-president of Equitable Society, told 150 members of Life Advertisers Assn. at the annual eastern round table meeting here.

M. P. Dickenson

Advertising men must meet the challenge of providing better and better readership so that the public reaction to the series of advertisements will be favorable, Mr. Dickenson asserted at the closing session of the 2-day meeting.

Although the topic of his talk was "Life Insurance Advertising Comes of Age," he suggested that it might be more timely to say that public relations in life insurance advertising comes of age. Advertising is one segment of a well-rounded public relations program. Not too many years have elapsed since it was considered

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Accuse Saunders, Smith of 'Breach of Trust' in Texas

Two former chairmen of the Texas board of insurance commissioners, Garland A. Smith and J. Byron Saunders, were accused of a "gross breach of public trust" in dealings with the defunct ICT Ins. Co. of Dallas in a formal report filed April 1 by the special house investigating committee.

Evidence involving the two ex-commissioners and Max Wayne Rychlik, Mr. Smith's son-in-law, will be turned over to a Travis county grand jury, the committee announced through its chairman, Rep. Scott McDonald of Fort Worth.

The committee noted in its report to the house that it had "found evidence of substantial payments made under questionable circumstances by the ICT and other BenJack Cage companies" to these three men, each of whom had testified during the hearings. It also took note of similar payments made to L. W. Blanchard, former chief examiner, and Robert Butler, former supervisor of examiners, for the board, who are now under medical treatment.

The report saddled Mr. Cage with a major portion of the blame for ICT's ultimate collapse and pointed out that the directors, many of whom were officials of organized labor, had turned to Mr. Cage full responsibility for operating the firm under a management deal.

The committee recommended new

(CONTINUED ON PAGE 21)

NW Mutual Sues Government for Over-Payment of Taxes

Northwestern Mutual Life last week sued the federal government for more than $430,000, claiming overpayment of income taxes from 1949 through 1954.

In a complaint filed in federal court here the company asked recovery of $383,316 in taxes for the six years and an additional $48,003 in interest, for a total of $431,319.

The suit is based on five interpretations of internal revenue law. Among more than 20 exhibits attached to the 12 page complaint were letters from George Reisimer, director of internal revenue here, denying the company's overpayment claims.

Mr. Reisimer said that he could make no comment on the suit until he had studied it.

The company contended that the government owed it $3,109 for 1949, $36,229 for 1950, $85,677 for 1951, $26,194 for 1952, $138,716 for 1953 and $141,392 for 1954. All figures include interest.

Gerald M. Swanstrom, the company's chief legal counsel, said that the government levied deficiencies against the company for the taxes after an audit. Most of these taxes were paid about a year ago, he said. No audit has been made on the company's 1955 taxes.

"This is just an honest difference of opinion with the government on interpretation of the law," he said. "The total amount of the suit is infinitesimal when compared with the taxes we have paid."

Mr. Swanstrom said that the company's federal income taxes had increased from about two million dollars for 1950 to more than nine million dollars for 1956.

The complaint said that the company paid $317,355 on revenues which should not have been considered gross taxable income, and $65,958 because two deductions for "investment expenses" were not allowed.

According to internal revenue law, the company contended, the gross taxable income of insurance companies includes only revenues received from "interest, dividends and rents."

More than half of the taxes listed in the complaint—$202,302—covered a government contention that fees received by the company from borrowers to commit future loans should be included in the company's taxable income as interest.

The company said that it also was erroneously taxed $79,158 on oil and gas royalties listed by the government as "rents" and $37,895 on premiums charged borrowers who paid back loans before they were due. The government listed the latter figure as interest.

Government refusal to allow deductions for home office maintenance, depreciation and real estate taxes, all listed for the company's investment departments, cost $62,988 in taxes, the complaint said.

In a final contention, the company said that it should have been allowed to deduct expenses of producing nontaxable capital gains. The company was taxed $2,970 on this point, the complaint said.

Mr. Swanstrom said that the decisions in the suit would be significant for all insurance companies.

Continental Assur. Grading Premiums Now on All Plans

Continental Assurance this week announced that its new "Quantity Discount" plan now applies to all ordinary life contracts, both participating and non-participating. The all-inclusive use of the plan became effective March 25 in all states except Massachusetts, where only some of the plans have been approved.

Continental reports that it is the first life company to use a method of "discounting" premiums on a systematically reducing basis per $1,000, according to the amount of insurance purchased. The company's first contract to incorporate a "quantity discount" was its ordinary, non-participating policy, which was made available last Oct. 1. Now all contracts benefit.

Northwestern Mutual Life on Jan. 1 became the nation's first major life company to apply the graded-by-size principle on an "across-the-board" basis.

Several other companies, some of them major ones with coast-to-coast operations, reportedly are now making preparations to adopt the graded by-size principle. Among companies already using the method are Companion Life of New York, Standard of Oregon, West Coast Life—premiums only, and Teachers I. & A.—dividends only.

Continental's method of computing "quantity discount" is this: One premium is set for the first $4,000 of insurance and a reduced rate for every

(CONTINUED ON PAGE 23)

Aspegren Attacks 'Double-Dollar' in Agents Forum Talk

The so-called double-dollar plan by which a savings bank depositor gets an amount of insurance protection equal to his bank balance, up to a stated figure, was vigorously attacked by Oliver R. Aspegren Jr., general agent of Ohio National Life at Chicago, at the agents' forum during the National Assn. of Life Underwriters midyear meeting at Roanoke.

Mr. Aspegren gave a couple of reasons why he thought the plan was bad for the public but mainly he concentrated his fire on what it would do to the life companies, the agents, the banks, and their relations with the public.

From the public's point of view, Mr. Aspegren's anti-double-dollar arguments were that the protection stops, usually at age 60, just when it would be needed the most, and of course would also be subject to discontinuance if a bank dropped the plan because of increased rates or for any other reason.

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From the bank's point of view, Mr. Aspegren contended that the plan's value as a promotional device depends on outdoing the competition, so that the result is more and more liberal plans. Other bad points, he said, are that the volume tapers off drastically after early merchandising efforts; rejection of claims for misrepresentation on the applicant's part will harm public relations; costs are likely to increase because of anti-selection and even at present, the differential in rate due to the double-dollar plan results in a possible $15 for $1,000 cost for term insurance and would hardly be much of an inducement except to older and/or uninsurable risks.

Mr. Aspegren was particularly critical of one plan which contains no safeguard against the possibility of a last-minute increase in deposits to boost the insurance just prior to death, where it was obvious that death was imminent.

"It may not have happened in enough instances to be a problem, but the incentive to build up the accounts of dying relatives is certainly going to be tremendous in time to come if these plans are not discontinued," he said. "Every day of the year the families of some individuals within the age limits learn that someone in their family will not long survive. There are enough of these families where the collective resources are such that $50,000 or more could be easily distributed among institutions at $2,500 each, assuming that 20 had the plan in.

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"To put it realistically, this is better than betting on the favorite in a horse race. If, short of a miracle, the individual is going to die, they are virtually certain of doubling their money. As time goes on, it would not be inconceivable that syndicates would be organized for the very purpose of lending money to families in which there was a dying member. The payoff could be worked on some basis such as is used by attorneys in accident cases—that is—the proceeds would be shared.

"If someone should say this wouldn't be attempted, I would ask them how they would go about preventing its being done. It is true that the individuals putting up the funds could not be named directly as the beneficiary, but advance agreements could be entered into with the survivors and appropriate notes executed.

"If the argument were raised that people wouldn't do it, their attention could be called to the risks that are being taken every day. Other individuals risk their liberty in tax evasion and other cases. If you note the risks that people take involving their lives and liberty, why would they not enter into collusion in something as riskless and certain as this would be? As the possibilities of this gradually come to the attention of the community, the effect can be disastrous. People may not lie and steal for small sums, although that is done too, but look at the temptation furnished them through the large sums which would be involved by the family of one individual of a short life expectancy using several plans."

Mr. Aspegren said that if the rates had to be raised for the insurance feature, the result might be to make the interest on double-dollar insured accounts so low and unattractive to savers that the plan would have to be abandoned. The resulting discontinuance of the plans would certainly arouse a great deal of discontent among the savers, he predicted, and this in turn would not only damage the public relations of the financial institutions but the life companies as well.

"Certainly the financial institution would attempt to place as much of the blame as possible on the insurance companies," he said. "This would serve to damage the good name of all of us—financial institutions, insurance companies, and life underwriters.

"We believe that the public interest is best served by those to be insured purchasing their insurance from those equipped to give them service through policies over which they themselves have control with respect to continu-

(CONTINUED ON PAGE 15)

Among principals at the annual meeting in Chicago last week of Insurance Federation of Illinois are, left to right E. H. Henning, president of Central Standard Life, new board chairman of the federation; John Diemand, president of Ins. Co. of North America, speaker at the meeting, and Lendon A. Knight, general attorney for Royal Neighbors, chairman of the executive committee of the federation.

Freilich Elected by Illinois Federation at Annual Meeting

Peter W. Freilich, vice-president of Corroon & Reynolds, was elected president of Insurance Federation of Illinois at that organizations annual meeting attended by approximately 500 members of the insurance industry at the Palmer House in Chicago. He succeeded E. H. Henning, Central Standard Life, who was named chairman.

John A. Diemand, president of North America, was guest speaker. His speech, "A Growth Industry?" is reported elsewhere in this issue. Mr. Diemand was introduced by Harry H. Fuller, midwest manager of National Bureau of Casualty Underwriters and federation chairman.

Henry S. Moser, vice-president and counsel of Allstate, chairman of the arrangements committee, greeted the members and introduced guests at the spakers table. Among the guests were Director Gerber of Illinois, and State Senators Arthur Bidwell, president pro-tem of the senate, W. Russell Arrington, and William J. Lynch.

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The entire slate presented by J. S. Richardson, Standard Accident, chairman of the nominating committee, was elected. Other officers elected were: Ralph D. Jones, Continental companies, 1st vice-president and Miss Florence M. Manson, executive secretary and treasurer.

Vice-presidents are: Charles E. Becker, Franklin Life; William A. Bowersox, Fidelity & Deposit; Mr. Fuller; John A. Henry, Continental Casualty; Spencer R. Keare, Federal Life; Mr. Moser; Mr. Richardson; B. W. Rouse, Travelers; Neil C. Russell, Chicago Motor Club; W. A. Seely, Crum & Forster; Hermon D. Smith, Marsh & McLennan; Rogers W. Troxell, R. W. Troxell & Co.; Ray L. Walker, Assn. of Surety & Casualty Companies; and Donald K. Weiser, Aetna Casualty.

Elected to the executive committee were: Lendon A. Knight, Royal Neighbors; Neville Pilling, Zurich; Kyle E. Simpson, Home Indemnity; Chase M. Smith, Lumbermens Mutual Casualty, and L. W. Zonsius Sr., Conkling, Price & Webb.

Vote Merger of Coastal States, Columbus Nat'l

Stockholders of Coastal States Life and Columbus National Life have approved a merger of the two Atlanta companies, to operate as Coastal States Life. The merger is subject to approval by Commissioner Cravey.

Under the merger, stockholders of Coastal States will receive four additional shares of stock for every six shares now held, and the Columbus National stock in the Coastal States portfolio will be cancelled. Columbus National stockholders will receive one share of Coastal States stock for every share of Columbus National stock they now hold.

Coastal States is licensed in 16 states and Columbus National in six. Coastal States plans to build an addition to its home office.

Coastal States began business as a stock company in 1947, after conversion from a fraternal association. Columbus National was organized in 1948. General Life, organized in 1947, and Dixie Life, organized in 1946, were merged into Columbus National in 1955. It acquired the assets and business of All American Life in a stock exchange transaction in 1956.

Continuing Strength of Economy Reviewed at ALC Regional

"As the first quarter of 1957 comes to an end, it is becoming manifest that 1957 promises to be a year of continued good business," John B. Siegel Jr., vice-president of Life of Virginia, told a regional meeting of American Life Convention this week in Nashville. "There appears nothing tangible on today's horizon to dispute the assumption that most segments of the economy will continue strong in the months ahead," Mr. Siegel told the gathering of 200 top life insurance executives at the Monday afternoon session of the two-day meeting. ALC president John A. Lloyd, president of Union Central Life, introduced Mr. Siegel to the meeting which had representation from 80 member companies.

Pointing out the tendency to express misgivings and caution on the part of management, Mr. Siegel examined the current soft spots and potential weaknesses in an economy which has been running at break-neck speed for a long period of time and are now being freely stressed.

There has been a falling off in production in two major sectors of the economy, automobiles and housing. The downtrend in agricultural prices, temporarily halted in 1956, has resumed. The average of all farm products has reached 80% of parity, the lowest reported since world war II.

Steel production, once considered the number one barometer of industrial activity, and running at 100% capacity only last December is edging down to 90% and some economists predict 80% capacity by late summer. The declining trend in carloadings, reduced output of paper mills, and continued soft spots in textiles all point to a slowdown and a probable over-all decline of 5% in industry activity.

Mr. Siegel went on to examine the offsetting strong points of the economy, saying that the pattern of over-all stability and moderate growth, referred to as a rolling adjustment and typical of

(CONTINUED ON PAGE 21)

N. Y. Life Offers New Family Policy In Units of $5,000

New York Life has introduced a family policy designed for married men aged 18 to 50 and providing package coverage for the husband, wife and children.

A feature of the plan is automatic coverage, 15 days after birth, of all children born to the husband after the issue of the policy, with no increase in premium. Children legally adopted by insured after issue also are covered.

The policy is issued in $5,000 units, each providing $5,000 of whole life on the husband, $1,250 of term on the wife, if she is the same age bracket as the husband, and $1,000 of term on each covered child. The amount of coverage on the wife is greater if she is younger than the husband, and less if she is older. The policy is available in units of 1, 1½, 2, 2½ or a maximum 3 per family. The maximum in New York is 2 units.

The policy automatically provides double indemnity on husband and wife and waiver of premium on the husband, with the cost included in the regular premium. If the husband dies, any term in effect on the wife and children becomes paid up and continues in force until its expiration.

The wife's term expires on the policy anniversary nearest her husband's 65th birthday. The term on each child expires on the policy anniversary nearest the child's 22nd birthday or, if earlier, on the policy anniversary nearest the father's 65th birthday. When the term on the wife and children expires, the coverage may be converted to a permanent plan without evidence of insurability. Children may convert for as much as $5,000 for each unit.

To be eligible for the package, both husband and wife must be acceptable for coverage. The wife must be at least age 18, while children, stepchildren and legally adopted children must be under age 17½ when the policy is issued.

Premiums depend only on the husband's age when the policy is issued and are payable during his lifetime. They are reduced on the policy anniversary nearest his 65th birthday, when all term on the wife and children expires.

Family income, mortgage protection, 10-year or 20-year term riders on the husbands life are available.

Accumulated dividends may be used to pay up the policy on and after the premium reduction date.

The family policy is not available in Massachusetts because it has not been approved by the insurance department, there.

Wrong Ill. Figures for Bankers of Ia.

Incorrect figures for the new business of Bankers Life of Iowa were shown last week in reporting life insurance results in Illinois. Bankers Life had new ordinary of $10,214,038 in 1956 and at the end of the year had $129,500,329 in force in the state. Group new business was $34,136,175, and the in force was $115,060,085.

Rondeau E. Baker has joined the Colorado department as an examiner in the rating division. He has been in the general agency and agency business in Denver since 1948. He started in insurance in 1909 with London Guarantee at Chicago.

350 Attend B.M.A.'s Florida Meeting for Leading Eastern Agents

More than 350 persons, including leading salesmen from the eastern territory of Business Men's Assurance and their wives, attended B.M.A.'s biannual eastern all-star convention at Hollywood Beach, Fla., recently.

Guest speakers at the convention included Frank Bettger, author of best sellers in the sales field, and Tom Collins, nationally known after-dinner speaker from Kansas City.

Also appearing on the program were company officers from the home office and B.M.A. members of the Million Dollar Round Table, including Jack B. Curry, Los Angeles; A. L. Wolf, Flagstaff, Ariz., Don Robinson, Salem, Ore.; regional manager H. G. Horn, Portland, Ore., and branch manager W. G. Chatham, Sacramento, Cal.

The new B.M.A. management training course was announced at the convention and displayed at the meetings. A completely revised salesmen's training program, known as the B.M.A. daily reference course and new comprehensive sales material for the preferred 30-pay plan, was presented.

The convention recognized officers of the company's honor clubs. Awards went to Mr. Robinson, Mr. Curry, E. S. Robinson, Dyersburg, Tenn.; G. K. Greer, Vandalia, Ill.; H. M. Barnes, Chattanooga; Jerry Hirshberg, Phoenix; Charles W. Thornhill, Seymour, Tex.; Conrad R. Sheffer, Eugene, Ore.; Frank J. Rocks, Chicago, and Herbert J. Homan, Celina, O.

B.M.A. all-stars representing the western half of the country will meet for their convention at Palm Springs, Cal., May 12-14.

1956 Wisconsin Results Listed for Life Companies

All figures are for ordinary unless designated (G) for group or (I) for Industrial. New business figures include business revived and increased as well as new business paid for.

		New Business $	In Force $
WISCONSIN COMPANIES			
Cuna Mutual		510,497	2,841,493
	(G)	29,888,300	122,077,467
Life Assur. of America		31,649,263	28,038,645
National Guardian		23,871,628	174,438,672
	(G)	238,000	1,531,500
N. W. Mutual Life		82,083,424	782,225,353
Old Line Life		18,230,666	141,719,951
Rural Security Life		7,452,172	41,038,351
Wisconsin Life		7,337,178	61,878,812
Wisconsin National Life		10,243,289	57,633,733
	(G)	....	450,500
	(I)	....	473
OUT OF STATE COMPANIES			
Acacia Mutual Life		4,539,993	40,090,527
Aetna Life		7,057,865	73,141,186
	(G)	47,101,133	305,689,700
American United Life		612,470	1,260,504
	(G)	323,475	321,500
	(Fraternal)	80	1,410,708
Bankers Life, Iowa		12,452,070	143,288,735
	(G)	7,976,564	30,576,099
Benefit Assn. of Ry. Em.		458,809	3,120,735
	(G)	4,071,494	20,387,100
Business Men's Assur.		8,782,460	37,673,126
	(G)	3,056,242	7,406,875
Central Life Assur.		18,572,742	139,099,668
Central Standard Life		498,608	1,053,117
Conn. General		10,534,242	46,403,248
	(G)	10,158,300	47,913,555
Connecticut Mutual		5,114,312	47,009,207
Continental Assur.		10,173,207	82,878,828
	(G)	45,209,620	121,210,597
Credit Life		279,903	258,938
Employes Mut. Benefit		2,025,000	2,018,500
Equitable Society		33,239,770	250,801,781
	(G)	23,645,044	244,835,111
Equitable Life, Iowa		4,126,861	15,906,639
Expressmen's Mut. Life		46,344	761,681
Farmers New World		1,689,133	25,799,055
Federal Life & Cas.		365,967	386,409
	(G)	231,830	292,512
Federal Life		1,625,162	4,344,159
Fidelity Life Assn.		1,479,358	13,876,938
Franklin Life		21,919,631	104,758,235
Guardian Life		1,783,838	20,008,028
Home Life		....	98,913
	(G)	243,631	932,090
Indianapolis Life		1,724,564	4,387,804
Inter-Ocean		....	14,003
John Hancock		20,085,868	103,366,063
	(G)	6,849,589	65,169,541
	(I)	2,740,007	27,322,912
Kansas City Life		1,291,361	20,790,348
Life of America		9,000	15,500
	(I)	....	1,000
LaFayette Life		673,611	639,820
	(G)	2,441	12,862
Lincoln Mutual L.&C.		26,200	25,450
Lincoln National		18,405,541	173,286,745
	(G)	3,689,707	16,593,024
Loyal Protective Life		294,039	2,016,381
	(G)	....	25,724
Lutheran Mutual		6,690,844	53,551,549
Mass. Mutual		13,019,863	91,441,701
	(G)	1,646,869	9,721,885
Metropolitan Life		90,783,291	660,627,265
	(G)	104,088,836	503,100,070
	(I)	5,463,650	239,044,945
Minnesota Mutual		3,353,873	15,246,767
	(G)	5,078,165	21,525,088
Monarch Life		451,725	1,515,677
	(G)	....	64,367
Mutual Benefit		5,162,961	61,875,712
Mutual Life, N.Y.		12,805,431	146,333,245
	(G)	1,106,326	1,686,341
Mutual Service Life		6,807,448	31,023,250
	(G)	7,103,500	19,133,315
Mutual Trust Life		4,772,907	59,430,123
Nat'l Farmers Union		1,434,880	2,880,116
	(G)	59,280	80,084
National Life		5,769,603	34,432,152
New England Life		9,402,955	92,182,393
	(G)	....	1,652,643
New York Life		65,735,649	455,081,769
	(G)	3,301,089	17,505,045
No. American Accident		183,124	561,873
North American Life		15,919,155	59,056,508
	(G)	74,875	300,590
North American L.&C.		8,058,021	45,884,424
	(G)	568,500	3,284,653
North Central Life		4,322,943	8,883,148
	(G)	931,862	931,862
N.W. National Life		3,727,494	8,830,275
	(G)	2,392,976	8,440,214
Occidental of Cal.		6,190,310	18,906,244
	(G)	7,307,481	29,074,061
Old Republic Life		71,288,440	48,883,528
	(G)	....	13,219,694
Paul Revere Life		2,170,889	12,297,602
	(G)	904,565	2,484,010
Penn Mutual		10,070,676	82,071,000
Phoenix Mutual		8,375,186	44,130,549
Provident Life & Cas.		16,582,534	49,777,990
	(G)	36,000	3,262,031
Provident Mutual		1,802,390	19,808,469
	(G)	—978	15,128
Prudential		143,464,139	872,176,522
	(G)	36,989,666	331,776,174
	(I)	7,462,318	194,898,777
Reserve Life, Tex.		4,500	57,500
Security Mut. of N.Y.		4,277,757	22,362,933
	(G)	25,000	3,576,800
State Mutual Life		1,243,935	4,906,823
	(G)	1,692,403	10,932,119
Travelers		8,137,321	85,949,906
	(G)	27,200,807	194,387,288

	New Business $	In Force $
Union Central Life	503,044	3,704,119
(G)	425,802	1,303,373
Union Labor Life	356,484	1,781,954
(G)	8,962,417	19,485,385
Union Mutual Life	7,319,558	21,309,672
(G)	....	3,200,663
United Benefit Life	1,766,599	14,255,237
(G)	14,500	1,377,834
U.S. Life, N.Y.	1,617,995	3,154,191
(G)	316,700	1,292,600
Victory Mutual Life	175,662	485,150
Volunteer State Life	15,000	110,072
(G)	735,743	735,743
Washington National	5,604,613	54,246,637
(G)	7,952,543	33,775,827
(I)	39,600	56,900
Woodmen Acc. & Life	2,566,816	6,107,668
(G)	....	207,598
Zurich Life	1,000	3,000
(G)	1,000	92,500
Total Ord. '56	923,203,051	5,843,719,994
Total Group '56	401,357,666	2,223,050,742
Total Ind. '56	15,705,575	461,325,007
All Classes '56	1,340,266,292	8,528,095,743
Total Ord. '55	757,669,296	5,302,442,974
Total Group '55	391,002,750	1,887,612,089
Total Ind. '55	20,583,938	472,796,351
All Classes '55	1,169,256,025	7,662,851,414

WISCONSIN FRATERNALS

Aid Assn., Lutherans	29,958,080	238,333,606
Catholic Family	4,736,070	38,361,951
Catholic K. of Wis.	9,761,480	65,733,090
Employes Mut.	2,099,504	46,671,807
Equitable Reserve	2,914,741	38,540,644
Federation Life	239,245	2,541,447
Metropolitan Funeral ..	34,800	419,050
National Mut. Ben.	4,530,586	73,180,009
Polish Assn.	114,320	2,769,309
Scandinavian-Amer.	226,823	3,356,508
So. Slavic Benevolent ..	100,250	1,784,000
Transport Employes'	118,000	3,929,500

OUT OF STATE FRATERNALS

Baptist Life	267,125	499,788
Catholic Foresters	3,854,433	44,848,022
Concordia Mutual	670,000	2,272,696
Croatian Catholic	....	443,933
Croatian Fraternal	68,400	2,094,132
Czechoslovak Soc.	9,000	135,950
Degree of Honor	254,000	2,782,157
Farband-Labor	16,200	312,697
1st Cath. Slov. Ladies ..	56,500	1,672,444
1st Cath. Slov. Union	38,686	1,235,996
Grand Carniolian Slov.	85,750	2,589,705
Greater Beneficial	109,000	1,381,956
Kotolicky Delnik	....	29,750
Knights of Columbus ..	3,316,382	26,440,987
Ladies Cath. Benevolent	1,000	28,680
Lithuanian Cath. Alliance	....	74,750
Lutheran Brotherhood	14,348,359	82,447,651
Maccabees	980,828	7,078,547
Modern Woodmen	3,936,774	32,112,567
National Frat. of Deaf	3,000	207,007
National Postal Trans.	75,000	2,300,000
National Slovak Soc.	13,000	397,962
Polish Nat. Alliance	418,250	8,330,602
Polish Catholic Union ..	159,500	3,227,684
Polish Women's Alliance	87,150	1,815,970
Progressive Ord. of West	....	23,493
Royal Arcanum	14,000	386,521
Royal League	28,500	741,340
Royal Neighbors	1,576,000	33,221,739

	New Business $	In Force $
Slovak Cath. Sokol	51,500	1,227,137
Slovak Gym. Union	14,700	600.810
Slovene Nat. Ben. So. ..	74,000	2,556,335
Sons of Norway	75,000	1,555,841
Supreme Forest Wood.	8,000	712,444
Western Bohemian	663,023	9,877,164
William Penn	127,069	675,376
Woman's Benefit Assn.	172,109	3,455,310
Women's Cath. Foresters	1,473,750	20,086,782
Woodmen Circle	....	39,781
W.O.W., Omaha	82,814	2,289,723
Workmen's Ben. Fund	50,922	381,830
Totals '56	88,013,673	819,624,888
Totals '55	78,518,837	742,134,354

N. Y. Judge Junks Blue Shield Case, Upholds Ruling

A test case instituted by Blue Shield has been dismissed by Superior Judge Greenberg at New York, who upheld a ruling by Attorney General Lekfowitz that Blue Shield subscribers were entitled to be reimbursed for oral surgery whether performed by a physician or dentist.

Seeking review of the insurance law, Blue Shield told the court that under existing contracts it would be required to pay subscribers $800,000 or $1,500,000 a year and that it might be subject to $1,250,000 additional liability to subscribers.

Blue Shield argued that under the law it had the option of not paying for oral surgery unless a physician had ordered it done by a dentist rather than a physician.

Managers Can Play Major Role in Helping Agents Sell $25,000-and-up Cases: Gill

ROANOKE—An agency's production of large cases depends to a great extent on the attitudes which the manager brings to this subject, John J. Gill, assistant vice-president of Metropolitan Life, pointed out to General Agents & Managers Conference at the midyear meeting of National Assn. of Life Underwriters.

"If we are convinced that we have the company, the product and the people to do the job, there can only be one outcome—we won't be able to avoid writing larger cases," Mr. Gill declared in discussing "Your Role in Large Case Production" at GAMC's luncheon on Tuesday.

The manager's recognition of the opportunity to sell large cases and the personal example he sets will provide the spark to motivate his associates to produce the big ones—those for $25,000 or more.

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To encourage large case production by agents, the manager can:

- **Help the last agent on the staff write at least one large case a year, which will whet his appetite with a taste of real money and show him that it is not as difficult as he had thought.**
- Continue the successful production of small cases and supplement it with occasional big cases, thus keeping the operation in focus.
- Make a dry run on a large case by discussing the situation in advance with the agent and preparing him to sell it.
- Encourage agents to improve themselves through membership in NALU, enrollment in courses, and perusal of insurance periodicals.
- Review a large case actually written by someone in the agency to acquaint the agents with the important points and help them overcome any trepidation they might have in approaching big cases.
- Help agents program their own life insurance so they can speak with conviction about their product.
- Make occasional calls with agents on large cases to lend moral support and provide professional experience if the agent needs help.
- Review applications for large cases after they are submitted to determine whether the agents' sights were high enough.
- Tell the home office, in a letter accompanying a large case application, about the purpose of the insurance, the basis for the amount applied for and the prospect's source of income.
- Arrange for necessary medical information and inspection report after the application is sent to the home office.
- Maintain a definite follow-up procedure for the big cases to make sure the policies are issued and additional information provided.
- Help place the case if assistance is needed.
- Make sure referred leads are requested.

Managers can help achieve large case production by possessing the up-to-date knowledge that will create a climate in the agency in which big cases can grow, Mr. Gill said.

Those who feel they should maintain their own high level of personal production in the non-competitive market must always be alert to the insurance needs of their clients and acquaintances and be ready to take the opportunities when they arise.

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The manager plays the most important role of all in large case production, Mr. Gill asserted.

The present economic picture reveals a need for large cases. There are many opportunities for large cases due to the rising costs of a college education and family upkeep. The tax structure enhances the value of life insurance in building and conserving estates.

Although prospects are more receptive today, only 7% of the people in the U. S. have more than $10,000 of life insurance and the average person only has life insurance equal to 15 months' income. This presents plenty of opportunity, he said.

Furthermore, many people can afford to buy large amounts of life insurance, and the needs for business insurance are growing. The companies have the policies to fill large case needs, too.

Managers sometimes underrate the ability of some agents to work in the large case market. A re-inventory of agency personnel may disclose some overlooked large case possibilities, Mr. Gill suggested.

Good training facilities for large case work include company programs, CLU institutes, some commercial courses and GAMC and NALU meetings. Some excellent visual aids are provided by life companies and insurance publishers.

OPPOSED BY GERARD BROWN

Bank-Loan Has as Much Right to Live as Any Other Use of Credit: Deane Davis

Is there any justifiable reason for discriminating against life insurance

Gerard S. Brown

Deane C. Davis

buyers who buy needed life insurance protection by the use of credit, when the benefit of deductibility is preserved to the buyers of practically every other kind of goods and services commonly purchased today?

A resounding "NO!" was the answer of President Deane C. Davis of National Life of Vermont, who spoke on this controversial matter at the agents' forum of National Assn. of Life Underwriters at the midyear meeting at Roanoke.

Gerard S. Brown, Penn Mutual, Chicago, the bank-loan plan's arch-foe, argued with equal vigor for strong curbs on the bank-loan plan. A summary of his talk follows the report on Mr. Davis' presentation.

Mr. Davis pointed out that life insurance already has been discriminated against in connection with the 1954 restrictive legislation which denied the interest deduction on money borrowed to purchase a single premium life insurance or annuity contract or to make premium deposits for the payment of a substantial number of premiums.

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Now, said Mr. Davis, the Treasury, "encouraged, strangely enough, by some representatives of the life insurance industry, says that the deductibility shall be denied even where the contract is not a single premium contract and where premiums are not paid ahead, because as they say, 'taxpayers are obtaining the benefit of the interest deduction with respect to the funds borrowed and also the benefit of the accumulation in the insurance company's reserves of tax-free interest income.'"

"It should be obvious, to any extent to which that may be true, that exactly the same situation prevails in the case of the man who borrows to pay premiums two or three years after the policy is in effect," Mr. Davis pointed out. "If there is any double benefit in the one case it exists in exactly the same degree in the other. On a basis of pure logic and pure justice, if interest deductibility is to be denied in one case, it should be denied in the other. But not even the treasury contends for that.

"Moreover, what about the accumulation or so-called inside build-up in other property and contracts? If I borrow money to buy stock which rises in value, I can deduct the interest on the loan and by owning the stock until death, never pay any tax on the increment in value. I can do the same thing by borrowing to purchase real estate or any other property. Also, if I am an employe of a corporation which maintains restrictive stock option plans, I can borrow to purchase stock solely by reason of my employment which has immediately appreciated in value from the option price. I get the interest deduction and I pay no tax on the inside build-up until I sell, and then only at capital gain rates. Why the proposal to discriminate against life insurance?"

As reported in last week's issue, Mr. Davis analyzed the so-called "double benefit" and, while conceding that insured does not directly pay an income tax on the so-called investment increment earned by the life company and added to the reserve, there is no reason why he should pay such a tax since the reserves and the interest earned belong to the company and not to him. Moreover, if he cancels the policy or takes the proceeds as a matured endowment, he pays a tax at ordinary income rates on every dollar of gain which he has made in the contract, and in this respect he is treated squarely in accord with the basic principles of the income tax relating to actual or constructive receipt.

If, on the other hand, the policy matures as a death claim, insured never receives it and naturally could not and should not be taxed on it. As far as the beneficiaries are concerned, it has always been the policy of Congress not to tax as income amounts payable by reason of death.

Mr. Davis ascribed two reasons for this congressional policy: The death benefit is not income to the beneficiary but is considered to be a capital payment to take the place of the loss to the recipient of part of the capital value of the life upon which she was dependent and the income from whose

(CONTINUED ON PAGE 16)

LOBINGIER TELLS GAMC:

Rewards of Public Relations Activity Go Only to Those Who Plan Them Well

ROANOKE—Plan your public relations activities well if you want the benefits you should reap from them, Public Relations Director John L. Lobingier Jr. of LIAMA advised members of General Agents & Managers Conference at their mid-year meeting here.

J. L. Lobingier Jr.

"Try it this year — planning your public relations just as you plan your recruiting, your training and your other activities," Mr. Lobinger uged. "Then and only then can you hope to enjoy the rewarding results that come from having a successful agency that is well and favorably known."

Public relations, he said, is all-pervading. It is part of just about everything that a general agent or manager does. It can't be put into a compartment by itself but has to be considered in relation to every aspect of the managerial job.

"Public relations is not recruiting," said Mr. Lobingier, "but the way we recruit, and the kind of man we recruit, and the way we bring him into the business all affect our public relations. Public relations is not training, nor is it supervision, but the way we train and supervise affects our public relations."

"Public relations is not talking on the telephone, nor is it writing a letter, nor is it advertising, nor even handling a complaint. But the way we do each of these affects our public relations."

"So what is public relations? I hope we can agree that, first and foremost, it is doing a good job for the public, and second, that it is using reasonable measures to get credit for that job. I hope we can also agree that the good job the public wants from us is to be treated as clients by an agent who brings integrity, knowledge and sincere personal interest. Why not do this good job the public wants? And along with it why not keep people informed and reminded about the good job we're doing for them?"

Mr. Lobingier said his personal belief is that "at least 80% of our public relations—80% of the public's feeling about our entire business—depends on the kind of men we put on the street."

"What kind of men were they to start with?" he asked. "Do they have the basic integrity the public demands? Are you permitting them to 'peddle policies' or are you educating them thoroughly in life insurance fundamentals? Are you showing them how to apply their knowledge to the needs of their clients?

"Are you encouraging your men to take LUTC? Are you promoting CLU for those who seem ready? Finally, are you inspiring them with a sincere desire to take a personal interest in their clients, to be genuinely helpful to their people, not just today, but tomorrow and the day after that?"

Mr. Lobingier said the things that an agency can do to make itself well known are sometimes called "artificial" methods of building prestige because by themselves they are of little value, but based on a foundation of the kind he was describing, "they are magnificent and unbeatable."

The speaker cited some examples of what managers are doing to build good will among policyholders: A Texas manager writes a letter welcoming each new policyholder into the fold. He developed it himself with help from a writer friend. His agents like it so well that every time he tries to cut down on secretarial work they won't let him eliminate the welcome letter. A central card file avoids duplication, so that the second-time buyer gets a different letter.

Another agency has an annual conference of policyholders. Each agent selects one client to attend the session, during which some phase of insurance coverage is discussed. There is also an open forum at which policyholders are asked to contribute ideas and suggestions of service or anything at all. Sometimes the manager gets an idea he could use right in his agency. Other times he passes along ideas to the home office. Whether or not usable ideas develop, policyholders leave with enthusiasm for the job the agency is doing.

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Another agency specializes in regular mailings to policyholders. In addition, the general agent encourages his agents to send copies of the company's annual statement to clients and influential people in town.

One manager operates a master reminder file to make sure each policyholder gets an insurance review at least once a year.

A manager helps his men use greeting cards and gift items supplied by the company by asking each agent to submit in writing his own plan for the year for using some or all of such items.

Prevention of lapses is a most important phase of policyholder relations, said Mr. Lobingier. A few years ago LIAMA made a survey that showed that people who lapsed their policies felt they got no value and that the company made money on the deal. In one agency an agent is expected to call in person to give a clear explanation of the options open to the lapsing policyholder. Frequently, the policies are reinstated and the client is particularly impressed by the service provided by his agent.

One manager has a carefully worked out system for prompt assignment of orphan policyholders moving into his territory, writing a personal letter and assigning an agent to the "orphan." The letter stimulates the agent to follow through and make his call and it enables the agent to call under very favorable circumstances.

In helping agents build prestige with their clients, Mr. Lobingier suggested writing a letter to clients of agents who win the national quality award. Also, when the new man is getting started he particularly needs help and this can be supplied by a prestige announcement sent to people he knows (before he calls on them) and also to some other people he doesn't know.

What can be done to help agents to

(CONTINUED ON PAGE 18)

GOLDMAN WARNS:

'58 MDRT Qualifiers Must Pay Local Dues by April 15, 1957

Emphasizing that the Million Dollar Round Table is an arm of the National Assn. of Life Underwriters, MDRT Chairman Howard D. Goldman of Richmond, in his message to the midyear meeting of NALU, took occasion to warn that the MDRT executive committee can make absolutely no exception to the rule that every applicant must have paid his local association dues prior to April 15 of the year covered by his qualification, even though his local association itself may be more lenient than this with its dues deadline.

Howard D. Goldman

Mr. Goldman, who is general agent of Northwestern Mutual for Virginia, could not be present, as he is recuperating from a virus attack that followed injuries suffered in an automobile accident. His message was read by the MDRT vice-chairman, William D. Davidson, Equitable Society, Chicago, a former trustee of NALU.

"We now have a definite provision in our by-laws that dues to your local association for the entire calendar year of your MDRT qualification period must be paid prior to April 15," said Mr. Goldman in his message. "This rule is being rigidly enforced, whether or not you are a long-term continuing member in good standing of your local association. Unfortunately, we cannot be governed by various rules of the local associations on continuing members who remit for dues on some later date, and we are denying membership to many who would otherwise qualify, simply because they did not comply with our requirement of dues-payment prior to April 15. No excuse whatsoever or any third-party oversight can be accepted. The responsibility to prove actual payment belongs to the individual applicant.

"We require an affidavit from the applicant as to date of payment and an affidavit from the local association as to date of receipt of payment. We further check with the National association as to date of receipt of each individual's national dues. Often it is necessary to call for cancelled checks when dates are close to the deadline or there is any doubt as to date of actual payment.

"I stress this point at some length, not only to reduce our administrative problems but to eliminate the heartaches and disappointments to worthy individuals who are careless or inattentive about this inflexible MDRT requirement, which applies to everyone. Further, we earnestly request the full cooperation of local associations in publicizing this information and assisting us in accurately furnishing requested data.

"Likewise, we require an actual affidavit as to a clean record in regard to ethics and that no disciplinary actions or proceedings are pending against an individual. If there ever has been disciplinary action we require all the facts. The code of ethics of the NALU is actually a part of our constitution and bylaws."

Mr. Goldman noted that despite tightening of production requirements and reducing the volume credits for term and certain other forms of business, the membership in the Round Table has continued to grow—from 525 in 1946 to 2,013 in 1956—"and at the moment it appears that our 1957 membership may take another big jump in numbers."

"We are not afraid of size as such," Mr. Goldman said. "We welcome a continued healthy growth in membership, just as the institution of life insurance welcomes a continuing extension of the use of our product as purchasers respond to your merchandising effectiveness and an ever-increasing public acceptance of its usefulness."

Mr. Goldman paid special tribute to NALU President A. Jack Nussbaum and expressed pride in the fact that he "has long been a highly respected member of the MDRT who, believe it or not, somehow found the time to be a life and qualifying member of the 1957 Round Table."

January Benefit Payments Total $595.9 Million, Up $73.1 Million

Benefit payments from life and annuity contracts in the U. S. in January totaled $595.9 million, up $73.1 million, according to Institute of Life Insurance.

January death benefits were $236.9 million, up $32 million, while living benefits were $359 million, up $41.1 million.

'Forward Look' Is Theme of LIAMA Combination Meeting Apr. 29-May 1

"The Forward Look in Agency Management" will be the theme of LIAMA's annual combination companies conference April 29-May 1 at Hollywood Beach hotel, Hollywood, Fla. Product development, marketing, manpower and management development are on the agenda.

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Harold M. Stewart, executive vice-president of Prudential, will address the opening fellowship luncheon on April 29. Rufus E. Fort Jr., vice-president of National Life & Accident, chairman of the Combination companies committee, will preside at the first day's session.

Fred I. Wunderlick, vice-president of Baltimore Life, will moderate a panel in the afternoon on "Seeking the Forward Look." Participants will be W. W. Cherry, assistant vice-president of American National; W. Sheffield Owen, agency vice-president of Life of Georgia, and Stanford Y. Smith, LIAMA senior consultant.

FAMILY PLAN RIDER UNVEILED

Kalmbach Tells Why Mass. Mutual Has Decided Against Entering A&S

After careful consideration of all factors invoved, Massachusetts Mutual has decided against entering the individual A&S field, President Leland J. Kalmbach disclosed at the annual conference of Massachusetts Mutual general agents at Chandler, Ariz.

L. J. Kalmbach

"We are not seriously concerned about the financial impact which might result from such actions," Mr. Kalmbach said, "but we do believe that individual accident and sickness field might well have an adverse effect upon the quality of our field organizations; that it might interfere with our present fine relations with our field force and the public; and retard the healthy ordinary sales momentum which has been developed in the last few years. I do sincerely hope that you all agree that this is the proper conclusion for a company with the high caliber ordinary sales organization which we now have."

Mr. Kalmbach said that since a number of well-established life companies have entered the A&S field recently, Massachusetts Mutual made a more critical analysis of the implications surrounding these recent developments.

"It is evident that companies entering this new line of business must expect substantial losses over quite a number of years before they enter the profit column and then begin to create their proper share of surplus to assets," he said. "The situation would be quite similar to that which we faced in connection with our entry not so long ago into the group business. Whether our ordinary policyholders should again be asked to subsidize the entry into another new field is one question which has to be considered very carefully."

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"There are conflicting opinions among life insurance company officials as to the impact upon a professional type ordinary sales force resulting from entry into the individual accident and sickness field. We pride ourselves upon having the finest life insurance sales force in the country, and we want to avoid taking any steps which might affect the caliber of that sales organization or which might reduce its effectiveness in the ordinary field.

"I am confident that all of you find yourselves adequately occupied at the present time in operating your agencies. If we were to enter this new field we would, of course, expect our general agents to develop an adequate volume of accident and sickness business to make the operation profitable within a reasonable period of years.

"I do not believe that you could expect an adequate volume of accident and sickness sales through the normal life insurance activities of your agencies. Rather, I believe it would be necessary for you to recruit men who would be primarily A&S salesmen, and necessary for you to train your present organization in A&S selling, which, of course, means that you would have to develop a thorough knowledge of the A&S business.

"Your efforts would necessarily have to be divided, and I am convinced that the result would be a more complex operation for you and a slowing down of life insurance sales, which I doubt would be offset adequately by A&S sales. I believe that the life insurance business today is complex enough to require the full-time attention of any man who achieves solid success and who remains successful in this important field.

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"It should also be kept in mind that in the A&S business we would encounter claim problems which we do not experience in life insurance. Numerous contested claims are inevitable in the A&S business, and I believe the public relations aspect of such claims would be more than a little detrimental. In considering these public relations aspects, we think not only of relations with the public, but relations between the home office and our field force. We are pleased and proud of the excellent mutual understanding which exists between home office and field, and with the high standing of our company throughout the country. These have been built over a period of many years and it is imperative that they be maintained. Therefore, we are extremely conscious of the possible adverse effects of the claim aspects of the A&S business.

"I will not take the time to mention all of the problems which we would face in establishing adequately trained home office and field organizations that would be required to operate an A&S department upon a sound and efficient basis, but they would be numerous."

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Mr. Kalmbach had something to say about group life underwriting practices. He expressed the opinion that under present day competitive conditions, the only remedy for large amounts lies in state legislation. He believes the old 20/40 limits were devised in an entirely different economic climate than today's and are unrealistic. Consequently, he believes that limits of 20/60 would be more in tune with the times.

"More recently, we have been confronted with an apparent willingness on the part of certain companies to write group plans with drastically reduced commissions or no commissions at all," Mr. Kalmbach said. "In one such instance, when we were told by the consultant that a very large case was going to be written without payment of any commissions, we immediately withdrew from the competition.

"Another very real problem, as I see it, is the extension of group underwriting to associations where the traditions of membership do not require that all employers be in the same industry. The amounts of coverage being offered in some of these loosely knit association cases are conducive to real anti-selection, in my opinion.

"We have also seen evidence of the willingness to quote retention figures on so-called 'name' cases which seem very much smaller than justified by the facts, and in one such case we refused to participate as a reinsurer be-

(CONTINUED ON PAGE 20)

'Social Mobility' Has Big Role in Agent's Success, Says Owen

Analysis of the work habits of the more successful agents shows that it is not so important that a new agent know a lot of people or have a lot of relatives and friends—though these are assets—as it is that he possess or develop a high degree of social mobility—the capacity to get acquainted with more people—and to find out enough about them to be able to identify those that are prospects.

This was one of the main points in the talk that W. Sheffield Owen, agency vice-president of Life of Georgia, made at the NALU-LUTC luncheon during the midyear meeting of National Assn. of Life Underwriters at Roanoke.

Mr. Owen said study of successful work habits shows that the old cold canvass method of selling life is doing it the hard way.

"As an agent, I fit into the category of the new agent, who, when his manager told him that the best way to succeed in the business was to work hard, promptly asked, 'What is the second best way?'" said Mr. Owen. "Just plain hard work will get you two things: It will get you the pay of an unskilled laborer and it will get you tired." I have always believed in working within the range of established influences. The study of the work habits of successful agents strengthens that belief—and underscores the importance of extending that range. The successful agent makes friends of his policyholders and he makes policyholders of his friends. But he also calls back on his policyholders and he sells them again and again."

Discussing prestige, Mr. Owen said it is like good public relations in any line of endeavor—90% doing and 10% letting people know what you are doing. Basically, prestige comes as a direct result of becoming professionally proficient, said Mr. Owen.

"What pediatrician do you call when your child is sick?" he asked. "What lawyer do you want when you need legal advice? I submit that you want the man who possesses the greatest technical competence in this field and, incidentally, he is most likely the man who enjoys the greatest prestige.

"In our progress toward success we move from knowledge and skill to a program of intelligent hard work in an expanding and improving market. If we have followed through so far, we undoubtedly have high morale—induced by a sense of duty to perform an indispensable service to one's fellow man. Rains Wallace, research director of LIAMA, once defined high morale as a condition wherein an agent likes his job better than money, and his boss better than anybody.

"When we think of morale we think of that something on the inside of a man that has more to do with whether he becomes a tremendous success or a miserable failure than any other one thing. That is his attitude—toward life, toward his fellow man, his attitude toward his business—the company he represents and the people with whom he works. A man's attitude can make him or it can break him. I believe that a man with a positive, dominant attitude will inevitably acquire the necessary knowledge and skills, the technical competence, and develop the right work habits. He will organize his time and his efforts, because he will want to succeed and he can be made to understand that there are the ingredients out of which success is molded."

The Philadelphia group office of Pacific Mutual Life is now located in the Fidelity-Philadelphia Trust building, suite 1527, 123 South Broad street. William B. Tomkiel is the manager.

1957 Edition of Handy 'Who Writes What?' Is Just off the Press

The 1957 edition of *Who Writes Writes What?* is the only reference book that is arranged by subjects and answers all sorts of "who-will-write it" questions, is just off The National Underwriter press. This sixteenth annual edition of *Who Writes What?* again tells at a glance, just which companies will write each of the many unusual life and accident and sickness coverages, now being offered by some 200 companies.

To find the answer to any particular question with *Who Writes What?*, one merely consults its comprehensive topical index, turns to the page indicated where he then reads directly the list of companies that offer the contract or form desired. Considerable related information concerning the contracts and company practices is also shown in convenient subject form. Since *Who What?*—the unique annual reference book compiled in this manner, it is a great time saver when one wants to find a company that will write something a little out of the ordinary, or to make a quick check on how the majority of companies are handling a particular subject.

Among the new life subjects, treated for the first time in the 1957 *Who Writes What?* are: Contracts with premiums graded by policy size, nonrenewable non-convertible level premium term contracts, and coupon policies. In its large accident and sickness section, combination life and A&S contracts and "business expense policies" also have been added. All of the many unusual subjects treated in previous editions, have, of course, been brought right up to date. Nine full pages are devoted to merely indexing these subjects.

Copies of this most convenient guide to what the companies are doing, may be ordered from The National Underwriter Company, 420 East 4th st., Cincinnati 2, Ohio, or from any National Underwriter office. It sells singly at $4 with lower prices in quantity.

The NATIONAL UNDERWRITER

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The National Weekly Newspaper of Life Insurance

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EDITORIAL COMMENT

Who Won the Bank-Loan Debate?

If people insist on buying something—a house, an automobile, an insurance plan—that they'd be wiser not to buy, does that constitute a reason why Congress should deny them the right to deduct interest on money borrowed to finance the purchase of the house, automobile or insurance plan?

Gerard S. Brown, Penn Mutual agent at Chicago, former chairman of the federal law and legislation committee of National Assn. of Life Underwriters, and the chief crusader against the bank-loan plan of buying life insurance, appears to believe that Congress should take such action against the bank-loan plan but not against the other types of purchase, however unwise or frivolous they may be. He is able to see distinctions between bank-financed life insurance and all other purchasable commodities and services. We have sincerely tried to understand these distinctions. We have considered the points too that to Mr. Brown set the life insurance plan apart from other things you can buy. But these points seem to us to be inconsequential.

Mr. Brown makes much of the fact that the bank-loan-plan insurance buyer has no intention of paying off the loan but rather intends to increase it as the cash values increase. But how does that differ from buying a piece of property with borrowed money and then increasing your mortgage as the improvements you make—probably with borrowed money—boost the market value? Is there something wrong about long-term loans or loans that are increased as the value of the collateral increases? If so, why not legislate against all such loans? But if there is nothing wrong with such a loan, why pick on a life insurance loan that is long-term and periodically increasing?

In his presentation at the agents' forum of NALU during the midyear meeting at Roanoke, Mr. Brown lashed out pretty fervently at unwise users of the bank-loan plan. He had some horrible examples tending to show that the sales benefit the agent a lot more than they would the policyholder. But his examples, though long on horror, were short on numbers. He could have come up with some shocking examples of 20-pay life policies sold as 20-year endowments but we doubt that he would have considered them proof that 20-pay life policies are almost universally misrepresented as being endowment policies. Yet he would have us believe that the bank-loan plan is sold nearly always to the customer's disadvantage.

Mr. Brown seems to misconceive the role of the taxing authorities. His Roanoke talk bristled with criticism of the bank-loan plan when wrongly sold and he did his best, in the absence of any figures, to show that the bank-loan plan is nearly always wrongly sold. But is that a reason why NALU should support the efforts of the Treasury to deny the tax deduction to the bank-loan plan? A high percentage of all marriages are hasty, ill-advised and doomed to end up in the divorce courts or in dragged-out misery. But is that a reason why Congress should deny a taxpayer a deduction for the wife whom he's sorry he married? (A subjective test, of course, but so is what is being proposed to curb bank-loan plans.)

We're sorry Mr. Brown didn't see fit to use some of his time in explaining what he and the Treasury people believe there is about the bank-loan plan that makes its tax deductibility any different from the deductibility that is unquestioningly allowed virtually all other loans made to finance purchases. We have never seen a half-way convincing explanation of this.

The case for denying the interest deduction to bank-loan plans has nothing to do with whether such plans are unwise for the buyer or not. Neither has it anything to do with whether the buyer had a tax saving in mind in choosing the plan against some other way of buying needed protection.

A lot has been made of the argument that the plan is sold as a "tax gimmick." But the plain fact is that it is sold as a means of buying life insurance. Nobody would buy it unless he had a need for life insurance. Obviously, the lure of a tax saving plays a part, perhaps a large part, in the sale. But isn't that true of a lot of purchases? How about the man who decides to buy a house instead of renting? Isn't he attracted by the deductibility of interest on the mortgage and of taxes on the house?

It isn't the only attraction, of course. The man buys a house because he and his family need housing. And he buys bank-loan life insurance—or any other kind—because he needs insurance. Nobody buys either a house or an insurance policy that he doesn't need just because of an attractive tax angle.

A belief that most bank-loan purchasers are going against their own best interests should not blind insurance men to the dangers in letting Congress deny the interest deduction to the bank-loan plan. We'd say the same thing even if we had evidence that 95% of the bank plans were as patently ill-advised as Mr. Brown's most horrible examples. There is no meaningful distinction between bank-loan life insurance and any other use of life insurance as collateral. To sit smugly by while Congress tinkers with this one phase of life insurance could well open a Pandora's box. To those unable to perceive the fine distinctions that are visible to Mr. Brown and other enemies of the bank-loan plan, the denial of deductibility to the bank-loan sale could well be viewed as a precedent for unrestricted mischief-making.

The NALU board of trustees did well, we believe, to follow the recommendation of its federal law and legislation committee made at Roanoke and specify that NALU Counsel Carlyle Dunaway shall keep in close touch with the Mills ways and means subcommittee on income taxation but not comply with the committee's request for suggestions on how to draft an exclusion that would deny the deduction to the bank-loan plan.

We believe that NALU and the companies should not only refrain from cooperating in framing such an exclusion but should fight against it as vigorously as if any other aspect of the right to borrow on policies were involved. We agree with President Deane C. Davis of National Life of Vermont, Mr. Brown's adversary in the bank-loan debate at Roanoke, when he said: "This proposal to police the industry through income-tax legislation has no historical precedent and is a clumsy and unrealistic approach which the life insurance industry will live to regret if it should succeed. . . . If there is anything inherently wrong with bank-loan insurance, so far as the industry is concerned, then it should be dealt with as part of the regulatory law of the states—not in an income tax bill. If bank-loan insurance is bad for a particular company, that should be dealt with by management decision of the particular company—not in an income tax bill."

Who won the debate? Probably it could be fairly said that both men won, in terms of their objectives. Mr. Brown unquestionably proved that some dreadful things have been done in the sale of bank-loan insurance. He failed to prove that bank-loan insurance was a bad thing for the buyer in anywhere near the high percentage of such sales that he would have us believe. But he again directed attention to the need for action to keep unwise sales to a minimum.

To the extent that he was trying to justify congressional action on the basis of the unwisdom of many bank-loan sales, Mr. Brown was, we believe, overwhelmingly refuted by Mr. Davis. It could be said that Mr. Brown didn't make as good a case as he might have in proving that Congress should act on bank-loan sales on the ground that they are a tax loophole.

Mr. Brown referred to bank-loan sales as a loophole but he didn't show why, perhaps because he was relying too heavily on sales abuses as a reason for congressional action. But we doubt that he or anyone else could have done much better. It takes only a reading of the report of Mr. Davis's talk that appears elsewhere in this issue to see how a pinpointing of the reasons against congressional action demolishes all the arguments that have ever been made in favor of it. Such action would not only be dangerous but completely illogical.

PERSONALS

James P. Heinman, manager of the Parkway district office of Prudential at Milwaukee, was honored at a luncheon commemorating his 40 years of service with the company.

Charles E. Grody, general auditor of New York Life, addressing a New York City meeting of Systems & Procedures Assn. of America on electronic data processing equipment, warned against over-reliance on machine results as a substitute for judgment, use of the system's speed to produce stifling volumes of reports and records, and the possible substitution of machine memory devices for immediate accounting records, resulting in gaps in the audit 'trail.'

Gertrude Haugh, staff member of the investigation division of the California Insurance Department, recently became the bride of Frank Arnold at a wedding ceremony in the Little Chapel Around the Corner, Las Vegas, Nev.

Harry J. Volk, president of Union Bank & Trust Co. at Los Angeles and former vice-president of the Los Angeles regional home office of Prudential, has been elected a director of Pacific Indemnity Co.

Charles E. Bent recently celebrated his 50th anniversary with the Los Angeles branch of Travelers. A past president of Los Angeles Life Underwriters Assn., Mr. Bent is the author of a number of insurance articles and has won an NALU national prize essay award.

E. Sammons, vice-president and agency director of United Fidelity Life of Dallas, has been elected president of Hillcrest high school PTA, and **Michaux Nash,** vice-president of te company, has been named Dallas chairman of the 1957 United Negro College Fund Campaign. **Don Schumacher,** Dallas agent for United Fidelity, and a partner, John Cook, won the Dallas Golf Assn. four-ball championship.

Robert T. Stuart Jr., youthful president of Mid-Continent Life of Oklahoma City, has gone on active duty as an army lieutenant for six months at Fort Sill, Okla. Mr. Stuart also was appointed a member of the executive committee of Oklahoma Assn. of Life Insurance Companies.

Floyd G. Short, underwriting vice-president of Franklin Life, has been elected 2nd vice-president of the Springfield (Ill.) Y.M.C.A.

O. Kelley Anderson, president of New Enlgland Life has been elected a director of the Gillette Co., Boston.

DEATHS

FRANCIS W. CAVANAUGH, 60, assistant secretary in the life and A&S claims department of Travelers since 1952, died in Hartford hospital. He had been with the company 37 years.

STANLEY H. WATSON, 66, for more than 30 years a salesman for Equitable Society in Cleveland and past president of the Cleveland CLU chapter, died in Tucson, Ariz. A life member of the Million Dollar Round Table, Mr. Watson at the time of his death was a partner in the Louis Behr organization, employe benefit plan consultants at Cleveland.

NEIL O. RICE, 29, manager of the agency accounting division of Bankers Life of Nebraska, died after a short illness. He had been with the company for more than seven years.

Berkshire's N.Y. In-Force Understated in Mar. 15 Issue

Berkshire Life's business in force in New York state was incorrectly shown in the tabulation in the issue of March 15. The actual figure at the year-end was $184,396,021. This increases the total ordinary in force in New York state by $170,479,945, bringing the figure to $36,477,480,990 and the total for all classes to $57,658,024,497.

New York Life has made a 20-year loan of $16 million to Uris Lexington, Inc., builders of the new 30-story air-conditioned office building at 485 Lexington avenue, New York City.

Aspegren Attacks 'Double-Dollar' at Forum

(CONTINUED FROM PAGE 3)

ance, convertibility, settlement options, and all of the other features of regular insurance.

"The man who today is insurable might well be uninsurable at a future date when a double-dollar plan under which he was covered was cancelled. It can hardly be in his best interest or in the public interest for such to happen."

Mr. Aspegren said the insurance companies should think about the effect on them and their agency organizations if double-dollar plans should actually grow to great magnitude," with financial institutions of various kinds taking over the accumulation of the reserves now being accumulated by life companies and the life companies merely carrying the risk element."

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The end result in such an event, he said, would be the weakening of the agency organizations and in the long run the public interest would suffer because of a reduction in the trained manpower available to serve them, the men who are the members of the agency organizations to whom, as a group, the career of a life insurance salesman would have a reduced appeal.

"The entrance into this field by a life insurance company is merely inviting the banking industry to enter some insurance activities, either at the present time or at some time in the future," he warned. "Moreover, sooner or later some insurance departments are apt to crack down on this type of activity. Certainly if the legislatures of 17 states are deeply concerned over the trading stamp plans of retail stores, a lot of people are going to be concerned some day over 'gifts' of life insurance in order to encourage bank deposits."

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The speaker said a great weakness of the group approach to this type of plan is that there is no common tie among the participants except a desire to save money, which is obviously an extremely loose tie, if any at all. There is no predetermination of the amount of insurance on the life of any insured, and the amount can be changed at will exclusively and solely by the insured.

The claim experience, he contended, must ultimately be different than in the case of group creditor, because it is usually the younger person who is unable to save the larger sums of money, whereas the older person is in the position to accumulate savings. Therefore, amount by age distribution under a double-dollar plan should be different from group creditor, where it is the younger person who has the need to borrow the greater amounts. The issuance of this type of coverage on depositors of a private or closed institution, such as a credit union, will not have these unfavorable control factors since usually all members have a common tie, usually with an employer, and all members are automatically insured.

Liberty Natl. Splits Stock 5-for-1

Liberty National Life has increased its capital stock from $5 million, represented by 500,000 shares of common stock with $10 par value, to $6 million, represented by 3 million shares with $2 par value. Stockholders will receive five shares for each one held on April 1. Certificates for the new shares will be mailed April 19. A dividend of $1.50 per share was paid in March.

Davis Supports Bank-Loan Plan

(CONTINUED FROM PAGE 9)

productive efforts she, as beneficiary, will no longer enjoy. The second reason is that this policy of Congress is merely an expression of a social point of view which has "a very proper and fundamental basis, namely, that in such case the beneficiary's loss far exceeds, even economically, the amount paid as a life insurance benefit."

The life company does pay a tax on the investment increment, less the amount thereof necessary to maintain its contractual promises, Mr. Davis pointed out, and added: "If you take into account state premium taxes as well as federal income taxes, there is no form of savings in this country more heavily taxed than life insurance."

"There is one aspect of this problem which I believe has been a motivating influence in the Treasury's position," said Mr. Davis. "It is the myth that bank-loan insurance is only good for the wealthy man. This of course never appears on the record but the cloakroom discussions evidence how deep-seated that feeling is in certain quarters.

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"In the first place, bank-loan insurance is not a plan that is limited in interest and value to the wealthy individual. All over this country young interns and doctors in the early years of their practice, young engineers and other professional men who have acquired families before their income has hardly started, are buying life insurance with money that they have borrowed from banks or other financial institutions. This proposal of the Treasury's denies equally to them whatever benefit there is in the deductibility of interest on the money so borrowed. What are they doing? They are merely using the education which they have painfully acquired as a basis for credit at a time when their tremendous insurance needs are way out of proportion to what their cash income is.

"But, let's look at the case of the man in the high income bracket. Of course, the dollar value of the interest deductibility increases as the tax bracket goes up. But should the high bracket man be denied the benefit of the interest deduction simply because his bracket is high? If it is socially proper and sound for the government to take at 50, 60, 70, or 80%, it is equally sound and just to permit his deductions at the same rate at which his earned income is reduced. After all, every dollar that he puts into savings or life insurance protection has already been reduced by a percentage equal to the percentage which measures his interest deduction."

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Saying that he was not there "to shed crocodile tears on behalf of the large income earners," Mr. Davis said he merely wanted to point out that in logic as well as justice the tax bracket of the proposed insured has nothing whatever to do with the question of whether interest on bank borrowings to pay insurance premiums should or should not be deductible. If it were pertinent to the question, it would logically follow that you should deny the interest deduction to all high-income people for whatever purpose the money was borrowed—and solely because they are high-income people, he observed.

"The enactment into law of the present proposal," said Mr. Davis, "lays the basic groundwork for complete denial, at some later date, of deductibility for interest on money borrowed on cash values or any other security wherever or whenever the borrowing is to keep life insurance in force. The logic of the next step is inescapable. It follows from the fact that the proposal is based on the Treasury argument that there is a double tax benefit: The interest de-

ductibility and the so-called inside build-up of the insurance reserve.

"No one could possibly deny that in this respect the situation is exactly parallel whether the borrowing occurs pursuant to a 'plan' in mind at the time the policy is applied for or occurs pursuant to some other necessity at some time *after* the policy is applied for. The real answer lies in the fact that there *is* no double benefit."

It is the duty of the life insurance profession, Mr. Davis declared, to defend the principle that life insurance is at least entitled to as favorable tax treatment as other kinds of property. It is quite out of character, he said, for the life insurance industry to be asking Congress to load more taxes on the policyholders which, as a class, they are supposed to represent. In fact, he said he believed it to be the first case in all history where this had ever been done.

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In presenting the case against the bank-loan plan, Mr. Brown said that its proponents who argue that there are situations in which it is suitable are correct only if certain factors are present, such as the need for insurance in the net amounts developed year by year, low interest rates available from a bank, bank-loan interest being deductible and policy earnings not includible for tax purposes, large income with high income tax in the top bracket, ample liquid reserves when the plan is purchased, ability to pay off the bank loan out of other assets if necessary, expectation of continuing the plan until insured's death, and the probability of continuation of large income until death.

"Unfortunately, the bank-loan plan has not been marketed with such discrimination, or for that matter, with any discrimination, by any but a very few who are selling it," said Mr. Brown. He said he had seen a number of proposals and had yet to find one where it was offered on the basis of an analysis of the prospect's needs. Always the plan was submitted as a tax-avoidance device and all but three or four were for a $100,000 face amount or other round figure.

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Discussing the argument that because commodities and real estate may be bought with borrowed funds it is also sound to buy life insurance that way, Mr. Brown said that the situations are not parallel.

"When homes, automobiles, appliances, jewelry and other commodities are bought on the installment plan, an asset is built up which grows as the loan is paid off," said Mr. Brown. Even travel which can be bought on installment plans is paid for in a reasonably short time. When life insurance is bought on the bank-loan plan, there is no thought of repayment of the loan, except perhaps in very rare cases in which I have yet to see an example. The result is that all a policyholder owns at the end of a long period of years is a policy encumbered with a maximum or near-maximum loan, and, all too often, little or no other resources.

"That heavily loaned policies have a high lapse ratio in later years with a severe selection against the company is a well known life insurance fact. The good risks who have wearied of the increasing interest charges and decreasing death benefits will lapse, but the impaired risks hang on. Why company officers who foster bank-loan business are willing to set up future high mortality has always been a mysterious angle of the bank-loan business."

Mr. Brown said that "for two years we have discussed the problem with Treasury officers with the objective that any language to amend the code should reach only the interest deduction on bank-loan plans and would not be disallowed the borrower for customary purposes. It is fortunate that taxing authorities in the Treasury department and in Congress are equally anxious to draft a proposed amendment with the objective of having it apply only to the bank-loan plan and not to loans for usual needs." Mr. Brown said he thought that there would not be any trouble on this score even if the law involved a subjective test, that is, an interpretation of the intent of the insurance buyer at the time of purchase to use the bank-loan plan.

Mr. Brown said that though the history of legislation has made it clear for some time that the annual premium bank-loan plan was well known to taxing authorities and was certain to come under attack, nevertheless, bank-loan plan proponents refused to believe that and "chose to play ostrich."

"That many agents have been making the bank-loan plan their careers to the exclusion of normal methods of selling is a mockery upon the argument that the bank loan fits some special cases," said Mr. Brown. "The same is true of a number of general agents who are soliciting bank-loan business promiscuously from brokers, most of which is written imprudently, and with little or no regard for the problems of the client."

Pru's Chicago Regional Office Wins Top Trophy

The Chicago regional home office of Prudential was recently awarded the company's president's trophy, as top regional home office in sales and service in 1956. Fifteen of the eligible 50 Mid-America districts earned president's citations and set the record-breaking pace.

Government Employees Corp. has declared a 10% stock dividend, payable April 29, at a rate of one share for each 10 of common of record April 8. It has also increased the annual cash dividend on common stock from 50 cents to 60 cents, and declared a semiannual dividend of 30 cents per share, payable May 25.

Lobingier States Rewards of Public Relations

(CONTINUED FROM PAGE 10)

become well known in the community? One manager, said Mr. Lobingier, actually trains his men in community leadership, helping them develop the ability to speak, to run a meeting and to organize a project, so they will have self-confidence and not be afraid to assume the leading community roles the agency would like them to have.

To avoid getting agents into so much community work that their basic job of selling suffers, Mr. Lobingier said he likes the practice of the general agent who insists that his men participate but tells them to tackle just one major activity each year. This way, he reasons, each man is able to do a good job at whatever he undertakes.

How about clubs? A prominent agency head, said Mr. Lobingier, advises his men to join one or two but no more. However, in the clubs he does join, he should volunteer for work, take leadership and establish a reputation for being willing, dependable and responsible. But joining a club with the main idea of selling its members is a good way to create *bad* public relations and anyway LIAMA research shows that clubs are not as profitable a source of business as some others.

Often an entire agency will be able to render valuable service to a town by offering its greatest talent—salesmanship—in connection with a Community Chest campaign along the lines of the so-called Hartford plan.

If the agency has a show-window on the street it can be used for each of the major charitable drives for exhibit space. This makes for a busy window and it brings widespread recognition to the agency. Another use of window space, either in the agency office or around town, is for promotional exhibits of the agency or Institute of Life Insurance. The institute also has life insurance films that the agency can sponsor.

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In cultivating influential groups Mr. Lobingier said one agency had found it hard to service its policyholders unless it could be sure life insurance was properly correlated with the rest of their estates and their wills. The agency's solution was to bring in an attorney and let him work exclusively on these problems with its clients. The results have been excellent for the agency has been able to show the outside professional men whom the lawyer confers with that the agency is just promoting the things that these professionals know are good for the client. The agency has convinced these professionals that it is not trying to encroach on their area but is working with them.

One agency invites a man from a different line of business each month to speak to an agency meeting, telling him frankly that the agents would like to know more about the problems of his business so that they can better serve the people in that business. The person who is asked to speak is complimented and he passes the word around that here is a progressive agency. The agents, for their part, obtain much valuable information. They make a friend of the speaker and they are stimulated to think in terms of a specific business for prospects.

As for local publicity, Mr. Lobingier said that it is quite easy to get publicity in most towns and small cities if the news is legitimate news and not free advertising. It is easy if the company has a home office press service but even without that almost any manager can get good results on his own.

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Mr. Lobingier quoted one source as saying it is important to know the financial editor or reporter well enough so the manager can call him up and ask his opinion about whether an item is news or not and how he would suggest that it be written up.

A news item might include appointment of a new agent, company or institutional honors for an agent, a meeting at which a prominent person spoke, recognition won by the agency, a visit by a company officer, an honor for an influential policyholder, participation by the agency in some civic project, examples of life insurance in action, an agency anniversary.

The real trick, said Mr. Lobingier, is for members of the agency to be able to recognize a newsworthy situation when it occurs.

Agents in small towns should remember that the small town weekly will print many items in detail that the editor of a daily will toss in the wastebasket.

Another way to publicize agents is through local advertising.

Editors of insurance papers are glad to get contributions on "How I Do It." Hence, if agents have anything substantial to say they will find it easy to break into print.

The company magazine is another medium where good contributions are welcome. One manager orders reprints of company magazine articles written by any of his agents if it would appeal to the public. He mails these, with a short note, to the agent's policyholders. If the agent did this himself it would seem like bragging, Mr. Lobingier pointed out, but when the manager does it for him the result is solid prestige.

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Agency services to the public should be of top quality, said Mr. Lobingier. For example, do your visitors get an impression of efficiency and good taste? Is a competent person assigned to counter service? Do visitors find interesting information on the rack? Is publicity in evidence about agency leaders? Are incoming telephone calls handled in a friendly fashion? When someone writes to the agency is each letter acknowledged promptly even if the full answer must wait?

The manager can encourage agents to build their own public relations programs by finding time to do the things that should be done, by making adequate clerical help available and, around town, by going out of his way to boost the agents' prestige such as by getting club memberships, speaking engagements, and key jobs.

In planning a program of public relations the manager should analyze his own situation: (1) Whom do we want to impress? (2) What do these people think of us now? (3) What do we want each group to think of us? (4) What can we do to achieve our objectives?

Some managers try to do this planning all by themselves, said Mr. Lobingier, but best results seem to come when it's a group operation, perhaps guided by a public relations committee made up of the manager, one or two agents, and the cashier.

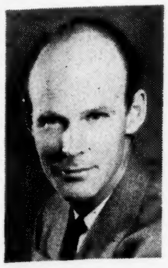
FIELD CHANGES

Travelers

R. N. Hogue has been named manager of a new branch opened at San Antonio, in Petroleum Commerce building at 201 North St. Mary's street. Mr. Hogue joined Travelers as field supervisor at Dallas in 1950 and was named assistant manager in 1954. **J. T. Johns** is supervisor of the group department, **William J. Caughey** is office manager and **Paul W. Bogusch Jr.** is claim manager.

Connecticut Mutual

Curtis Cunningham has been appointed general agent in Spokane to succeed **Thomas R. Carey**, who has asked to be relieved of managerial duties in order to devote full time to personal sales work with the agency. Mr. Cunningham joined Connecticut Mutual two years ago and was appointed district agent in Tacoma in 1955. Mr. Carey joined the company at Portland, Ore., in 1938 and has been general agent in Spokane for eight years.



Curtis Cunningham

Mutual of New York

Robert F. Broderick and **Dwight E. Redd** have been appointed managers at Boston and Madison, Wis., respectively. Mr. Broderic succeeds **Foster S. Boothby**, who has resigned from the company. Mr. Redd succeeds **Thomas M. Hubbard**, who will continue with the agency as assistant manager. Mr. Broderick operated a general brokerage business before joining Mutual at Boston in 1951. He was named assistant manager three years later. Mr. Redd joined the company at Cleveland in 1948 and was named assistant manager in 1953. Both men went to the home office for managerial training last October.

Ohio National Life

Frank E. Muscal, Harold C. Sonday, and **Edwin E. Brandt** have been appointed general agents for Ohio National Life at Philadelphia, Cleveland and Leavenworth, Kan., respectively. Mr. Muscal, who lives at Chester, Pa., has been in insurance for 14 years and has experience as an agent and assistant branch manager. Mr. Sonday will have his Cleveland headquarters at 1360 Hanna building and will maintain district offices in Akron and Ravenna, O. Mr. Brandt joined the company after seven years with Aid Assn. for Lutherans. His agency will serve Leavenworth and surrounding areas.

Metropolitan Life

John J. Gill has been appointed superintendent of agencies in charge of the south central territory, which includes Alabama, Arkansas, Kentucky, Louisiana, Mississippi, Tennessee and Texas. Mr. Gill joined Metropolitan Life in 1934 at Astoria, N. Y. He has been an officer since 1953 and, prior to the current appointment, was assistant vice-president.

A. Kenneth Hemer, superintendent of agencies of Atlantic coast territory, becomes superintendent of agencies of Keystone territory.

John E. Neal, superintendent of agencies of south central territory, becomes superintendent of agencies of Atlantic coast territory.

Mr. Hemer's new assignment follows the decision of **Samuel D. Risley**, superintendent of agencies of Keystone territory, to retire April 30. Mr. Risley has been with the company since 1919, and was appointed superintendent of agencies in 1941. He has been successively in charge of southern, New England, Penn state, and Keystone territories.

John Hancock

Charles N. Brennecke has been appointed assistant director of field training in the district agency department. He joined Hancock at Austin, Tex., several years ago and has been regional supervisor in northern New England since 1952. He is a CLU.

Promoted from assistant district managers to supervisors of field training are **John A. Bandoni** in the west coast district agency territory; **Lawrence J. Kelly**, east central; **Henry D. Brennan**, southeastern, and **Walter A. Blair**, north central.

Calif.—Western States

J. C. Power and **David M. Thompson** have been promoted to assistant general agents for the Bates agency in Los Angeles. Mr. Power was with California-Western States Life for 10 years and Mr. Thompson was with Penn Mutual some years ago.

Colonial Life

George C. White, former life manager of the Weghorn agency, New York City general insurance agency has joined the Jaffe agency at New York as manager of its new life department, which has been set up to represent Colonial Life. Mr. White formerly was a unit manager of Equitable Society at New York.

Acacia

Thomas M. O'Reilly has been appointed unit manager of the Rhode Island branch with headquarters at Newport. He has been with Acacia since 1955. Branch headquarters, under Manager **Kelly Sheridan**, has been moved to Providence.

Variable Annuity Life

Washington Associates, Inc., has been appointed general agent of Variable Annuity Life in the District of Columbia. Agency officers are **J. R. Gorman**, president, a lawyer; **Donald M. Counihan**, vice-president, a lawyer, and **William G. Russell**, secretary and treasurer, president of the Hufty, Eubanks & Russell general insurance agency and of Estate Planning Associates, Inc., Washington.

United States Life

Adelman-Schwait agency has been named general agency at Reading, Pa. **Jack E. Schwait** and **Robert Adelman** are co-general agents. Before joining United States Life, Mr. Adelman spent seven years with Fidelity Interstate Life, advancing to regional supervisor for Pennsylvania. Mr. Schwait was with Fidelity Interstate Life for 3½ years.

COMPANY CHANGES

Prudential

Harold Rudolph has been appointed training consultant at the Los Angeles regional home office of Prudential. He joined the company in 1949 as assistant manager at San Bernardino, Cal., and was made a division manager in the Payne agency of Prudential at Los Angeles the following year.

Phoenix Mutual

Dr. Norman R. Rund has been appointed assistant medical director. He recently resigned as medical director of Bankers Security Life of New York to take the Phoenix Mutual post. He has been chief medical examiner of Provident Mutual at New York since 1941. He has practiced internal medicine at New York for 16 years and has been assistant attending physician at St. Luke's hospital and cardiac clinic.

Equitable Life of D. C.

Lloyd A. Brewer Jr., Frank B. Eslinger and **Robert C. Bailey** have been promoted to vice-presidents of Equitable of D. C. Mr. Brewer has been manager of agencies. Mr. Eslinger, former treasurer, will be in charge of finances and investments. Mr. Bailey will continue as actuary.

Peoples Life of D. C.

A. P. Thompson and **H. E. Tipton** have been elected treasurer and comptroller, respectively. Mr. Thompson joined Peoples Life in 1928 at Rockville, Md., and has been comptroller since 1946 and a director since 1953. Mr. Tipton joined the actuarial department in 1941 and has been assistant comptroller since 1952.

Connecticut General

George W. Young has been appointed vice-president and actuary. He has been 2nd vice-president and actuary since 1954. **Carl T. Furniss** has been appointed assistant superintendent of agencies. Now assistant manager at Philadelphia, he will take up his new duties at Connecticut General's home office on July 1. **Richard A. Hess** has been appointed assistant controller. He has been an administrative assistant and assistant secretary of the group sales department. **Robert L. Mayer** has been appointed director of group sales. He has been secretary of group sales since 1954. Appointed assistant directors of group sales were **Arthur E. Davis Jr., Ralph W. Hackett Jr., Robert P. Jones, Robert N. Roach**, and **William H. Welch Jr**. Mr. Welch, group manager at New York, will assume his new post May 1.

Tennessee Valley Life

George B. Holland, educational director, and **J. T. Barham**, office manager, have been elected vice-president and treasurer, respectively, of Tennessee Valley Life of Jackson, Tenn.

Life of South Carolina

Rudy Hagelman has been appointed vice-president and agency director. Before joining Life of South Carolina at Columbia, he was assistant director of agencies of Union National Life of Lincoln. He entered the business with Massachusetts Mutual at Houston and later was with New England Life, Columbia General Life of Houston and American General.

Tells Why Mass. Mutual Will Not Enter A&S

(CONTINUED FROM PAGE 12)

cause of the extremely small margins involved.

"In my opinion, these problems in no sense represent an indictment of the business itself; rather, in my opinion, we are the outgrowth of an overly zealous desire for a large volume of new business. We should always keep in mind that the spectacular growth of group insurance in all its forms has been due to the sound and progressive thinking of those who recognize it as the insurance industry's best answer to a genuine economic need.

"I feel strongly that we should not adopt group insurance practices which would prove detrimental to our ordinary field force. The future growth of our company depends chiefly upon the further sound development of our agency organization and I think it is obvious that the group practices which I have mentioned, if expanded, will make the life insurance business less and less attractive to the caliber of men we want to represent the Massachusetts Mutual.

"From the standpoint of costs, it is of course desirable for our group department to grow at a favorable rate during a period of increasing expenses such as the present. Therefore, we would like to have a larger volume of new group business but we certainly do not want new business at the expense of our existing policyholders. We are going to remain aggressive in the group field but I assure you we are not going to adopt practices which violate sound principles and equity. I am pleased to tell you that those in direct charge of our group department feel just as strongly on these questions as I do."

Mr. Kalmbach announced that early in April the rates on single premium annuities will be reduced because of the higher interest rates available on long-term investments. He also said that in those states which approve, the company will soon offer a family plan rider which may be attached to a basic policy on the life of a man who is the head of a family and which will provide coverage for the wife and all the children of the family, including children born or legally adopted after issuance of the contract, with the restriction that coverage will be limited to children who are not over age 18 at date of entry.

The rider may be attached to a policy or any permanent plan of insurance to which no other term rider is attached so long as the basic policy will be premium-paying for a period at least as long as the premium-paying period of the family plan rider. The rider may be attached only at the time of issue of the basic insurance on the life of the insured and may not be attached to existing coverage.

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The initial premium rate for the rider will cover the wife and all children, with no rate increase because of the birth or adoption of children after the rider has been issued. The coverage on the life of the wife will be term to age 55, 60, 65 or 70, as applicant chooses. In the event of the death of the husband, the coverage on the wife will become fully paid-up term to the age elected.

The coverage on the children will be term to age 21 or to the expiration date of the rider, if that date is earlier. Upon the death of either the father or the mother, coverage on the children will become fully paid up term to age 21, or to the date on which the rider expires, if that is earlier. As the coverage on the life of each child expires in accordance with the provisions of the rider, it may be converted to a permanent form of coverage for any amount up to five times the original coverage.

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The basic coverage on the life of the husband must be at least twice the amount on the life of the wife, but not less than $4,000; and the insurance on the wife will be twice that on the life of each child, but not in excess of $10,000. Therefore, the minimum amount of coverage to be sold under this plan would be a basic policy of permanent insurance of $4,000 on the life of the husband, with a family plan rider providing $2,000 on the life of the wife and $1,000 on each child. Otherwise, the rider offers considerable flexibility. For example, if the policy on the life of the husband is for as much as $20,000, the insurance on the wife could be for any amount from $2,000 to $10,000. Relationship between the insurance on the life of the wife and that on the life of each child is fixed, with the insurance on the wife always being twice that on the life of each of the children.

Mr. Kalmbach said the use of a rider rather than a policy similar to that used by some companies makes this flexibility possible, and offers additional flexibility in that there is a choice as to the kind of policy on the life of the husband.

Mr. Kalmbach said the company is working on a complete revision of all its policy forms. The result will be new policy forms which should be available before the middle of next year.

Government Employees Corp. has declared a 10% stock dividend, payable April 29, at a rate of one share for each 10 of common of record April 8. It has also increased the annual cash dividend on common stock from 50 cents to 60 cents, and declared a semi-annual dividend of 30 cents per share, payable May 25.

Aspegren Tells Chicago Group What's Wrong With Double Dollar

Oliver R. Aspegren Jr., general agent of Ohio National Life at Chicago, told a joint meeting of Chicago home office underwriters and actuaries that Chicago life agents are against the double dollar plan primarily because they don't believe it is in the public interest. Mr. Aspegren traced the spread of the double dollar plan in the Chicago area in the past year, pointing out that it started in savings and loan associations, which offer term insurance in connection with savings and require only a minimum evidence of insurability. The plan then was adopted by about five commercial banks in Chicago and immediate vicinity, and at these institutions savings depositors are offered term insurance to match their savings dollar for dollar to a certain amount, with practically no evidence of insurability being required. Mr. Aspegren said this type of coverage, at best, caters to anti-selection.

In some banks insurance is sold only to those depositors who want it. These depositors pay for the insurance by taking a ½ to 1% cut in their interest rate. "This," Mr. Aspegren said, "is anti-selection compounded." He predicted that double dollar coverage will gradually become especially attractive to the older and uninsurable.

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Mr. Aspegren also presented information indicating that even where evidence of insurability is required under the double dollar plan, the experience has not been good. The number of claims necessarily rejected under this arrangement, because of misrepresentation, were in the vicinity of 25% of those paid. This, of course, presented a burden and bad public relation situation upon the bank, the insurer and even the whole institution of life insurance. Mr. Aspegren said double dollar depositors who have claims rejected are more apt to blame the insurance business rather than the banking business.

Mr. Aspegren also pointed out that many actuaries and underwriters consider the double dollar plan as unsound, pointing out that the rate structure, which is based on actual costs plus loading, will have to be substantially increased as experience develops. However, Mr. Aspegren did admit that the double dollar plan has been in existence far too short of a time in Chicago for any final conclusion, but indicated that the Chicago Life Underwriters Assn.'s attitude toward the double dollar doesn't brighten much as experience develops. He said each succeeding plan appears to be a little more liberal than the preceding ones as a method of making the plan more attractive to bank saving depositors. This liberalization of the plan has gone on, Mr. Aspegren said, until it has been dubbed the "wild and woolly" double dollar.

Glenn Waugh Is Advanced in Ohio Department

Glenn Waugh, chief examiner in the Ohio department, has been advanced to executive assistant to Superintendent Arthur Vorys. Mr. Waugh will have supervision of examinations and rating. He was an examiner from 1939 until he was promoted in 1948 to chief examiner.

In other promotions in the Ohio department, L. Hayden Jones has been named chief examiner after eight years as an examiner with the department.

Figures from Life Companies' Year-End Statements Shown

	Total Assets $	Increase in Assets $	Surplus to Policy holders $	New Bus. 1956 $	Ins. in Force Dec. 31, 1956 $	Increase in Ins. in Force $	Prem. Income 1956 $	Benefits Paid 1956 $	Total Disburs. 1956 $
Alinco Life, Ind.	7,968,086	2,114,647	6,025,169	[a]	566,635,821	40,599,388	6,928,127	1,866,871	1,950,085
Great Southern Life	179,411,121	10,478,993	21,032,525	108,593,401	845,328,897	60,063,402	19,176,975	9,719,531	16,608,765
Industrial Life, Canada	49,336,057	6,959,856	4,165,157	98,571,836	467,567,845	66,825,767	13,101,631	4,320,302	9,085,040
Liberty Life, S. C.	92,284,068	8,111,685	10,563,444	179,633,392[1]	817,649,814	70,066,418	18,728,277	5,932,235	14,245,067
Manufacturers Life	717,410,936	64,630,884	50,784,016[b]	396,338,723[c][2]	2,422,973,905[c]	250,340,375[c]	92,623,882	42,985,949	72,617,561
Southern L & H	26,717,626	2,580,318	2,250,000	84,641,734	212,080,551	11,120,874	7,595,053	1,937,503	5,699,831
FRATERNALS									
Modern Woodmen	199,562,938	4,634,092	24,837,698	66,891,683	592,329,214	14,788,913	14,981,321	14,608,200	21,726,070

New business figures exclude revivals and increases except as follows:
[1] $5,098,614; [2] $31,618,728.
[a] Reinsurance only.
[b] Includes balance of shareholders' fund amounting to $2,000,666.
[c] Includes amount of temporary additions to sum insured not incluled in previous years.

Economic Strength Reviewed at ALC Regional

(CONTINUED FROM PAGE 4)

the 1956 economy, tends to conceal major changes. Nevertheless, the ability to offset the sharp curtailment in automobiles and residential construction is convincing testimony of the basic underlying strength of our economy.

Most industries which made a good showing in 1956 have continued strong. The upsurge of capital expenditures despite some cutbacks by industry leaders, has continued with little abatement. A year-end McGraw-Hill survey estimated an 11% increase in capital expenditures over 1956.

Aircraft and shipyards are stepping up production, and the demand for consumer services shows no signs of tapering off.

Finally, and of major importance, the increasing rate of spending by both federal and local government units gives no signs of slackening. Schools, roads and municipal improvements are creating a backlog at the local level.

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Concerning the probable trend of interest rates, Mr. Siegel said that if the forecast is correct that business will be fairly stable over the coming months, with possibly a slight tendency to ease somewhat in the third quarter, the prevailing level of interest rates sould tend to hold pretty much throughout 1957. Any change in the projection would appear to be in the direction of a slight easing of yields later in the year concurrent with rising bond prices.

"The restrictive federal reserve monetary policy would appear to sum up the entire business picture," Mr. Siegel said. He continued saying that he knew of no single segment of our economy which has benefitted to a greater extent by the slowing down of inflationary trends than the life insurance industry. That federal reserve policy has played a top role in this fight to contain inflationary pressures is unquestionable.

Mr. Siegel concluded that while it appears as though the boom may have reached its peak in the last quarter of 1956, the evidence at hand suggests that we shall witness little deterioration in the over-all business picture in the immediate future.

William B. Martin, zone manager for All American Life & Casualty at Springfield, Ill., and Mrs. Martin prepare to board a plane in Nassau, the Bahamas. Mr. Martin won the company's top prize in its recent sales booster campaign. Other winners enjoyed a weekend at the Waldorf.

Accuse Saunders, Smith of 'Breach of Trust'

(CONTINUED FROM PAGE 2)

legislation empowering the board to control management firms in the same way it controls a company. After commending the 1955 remedial legislation, the committee added that it had evidence there are "probably several other companies" organized prior to that period that "will find themselves in an insolvent condition in the near future." No companies were named.

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Chairman John Osorio of the Texas board was quoted in the newspapers as saying that unless someone goes to jail in connection with the Texas insurance scandals there will be many more such failures in the state.

Asked by a reporter if he thought anyone should go to prison in connection with the ICT scandal and other recent insurance company failures in Texas, Mr. Osorio said: "I certainly hope so."

He disagreed with the idea that the key to the soundness of Texas companies lies in a larger examining staff. Mismanagement, fraud and misrepresentation are to blame, he asserted. "This will not even show up even if an expert examiner is on the job. A good example is ICT."

800 Turn Out to Honor Huebner in Denver

S. S. Huebner, recently named to the Insurance Hall of Fame and described as one of the chief architects of the life insurance profession, was honored this week by more than 800 persons in Denver. A huge turnout of business and civic leaders attended a breakfast for Mr. Huebner at the Albany hotel, Denver, given by the Rocky Mountain CLU chapter.

Security Life & Accident held a luncheon at the Denver Athletic Club and later in the afternoon a reception in the company's building.

Mr. Huebner's achievements were recited during the Denver celebration: In 1904 he started the first class in insurance in the U. S. at the Wharton school at the University of Pennsylvania. When he retired in 1953 he had taught some 75,000 students.

Four NALU trustees at the Roanoke midyear meeting: Sam B. Starrett Jr., Guarantee Mutual Life, chairman of the conservation committee; Mrs. Elsie Doyle, Union Central, Cincinnati, chairman of the relations committee; Gordon V. Hockaday, Equitable Society, Spokane, chairman of the bylaws committee, and Howard V. Krick, Penn Mutual, New Haven, chairman of the underwriter education and training committee.

WANT ADS

Rates—$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

IMMEDIATE OPPORTUNITIES FOR GROUP SALESMEN

A leading Southern group and life insurance company, which has more than a thousand groups insured throughout the Southeast, offers outstanding opportunities to experienced Group Salesmen. An intensive expansion program has opened excellent opportunities in West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Kentucky, Tennessee, Mississippi, Louisiana, Arkansas and Texas.

The position offers an attractive beginning salary plus opportunity for advancement. Applicants should have good records in group selling, possess supervisory ability and be free to travel a limited territory. Reply in confidence giving complete personal data and business history to Box T-63, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FRANCHISE WANTED

By an outstanding agency with top producing agents, operating in California-Oregon-Washington. We are now doing better than $800,000 per year in A & H premiums. We need a growing Company with vision writing Life, and A & H. We have a potential of $2,000,000 or more per year. Must have exclusive franchise. We have 15 years of A & H experience with sound financial background. Replies in confidence. Write Box T-31, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

LIFE SALES MANAGER

Agency Department Home Office Administrator wanted by a fast-growing middlewestern Life and A&H company entered in 40 states to build home office and field phases of company. Background of experience in a company home office or as a "second man" in a large agency preferred. Unlimited opportunities for advancement in company structure. Replies will be held confidential. Write full details. Box T-51, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GOOD OPPORTUNITY

Open for experienced Fraternal Insurance men for State Managers' positions in Pennsylvania or Ohio. Applicant must be experienced, honest and reliable. Salary and overriding on sales force.

Correspondence confidential.

Write Box T-43, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

PERSONNEL DIRECTOR OPPORTUNITY

Large eastern life company seeking a Personnel Director to assume full responsibility for home office personnel operation. Late 30's preferred. Must have degree with major in personnel or related fields. Should have experience equivalent to the top or #2 personnel man in a large organization having progressive personnel operation. Replies will be held in strict confidence. Send résumé of education, experience, etc. Address Box #T-38, c/o National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Illinois.

AGENCY SUPERVISOR

Large Life insurance agency of Eastern company desires to employ an Agency Supervisor to be in charge of a number of counties embracing a very fine section of northeastern Ohio. This section is now producing an excellent volume of business but needs further development. Unlimited opportunity for man who can qualify. Pension and Group benefits. All replies held in strict confidence. Address your reply to Box T-57, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

HOME OFFICE UNDERWRITER

Excellent opportunity with one of America's fastest-growing major companies for a man with superior background, for advanced underwriting at senior level. Should be under age 40. Starting salary commensurate with background and experience. Replies confidential.

THE FRANKLIN LIFE INSURANCE COMPANY
Springfield, Illinois

WANTED JUNIOR DIRECTOR

Well qualified man or woman around age 35 to direct Junior Department of Pennsylvania Fraternal Society. Must be of good character and integrity. Correspondence confidential. Address Box T-61, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED LIFE INSURANCE AGENT

Age 27-35, with at least 3 years life insurance selling experience, to head force selling variable life annuities in Washington, D. C. Please reply in writing to:

The Equity Annuity Life Insurance Company
2480 16th St., N. W. Washington 9, D. C.

FLORIDA MANAGEMENT OPPORTUNITY

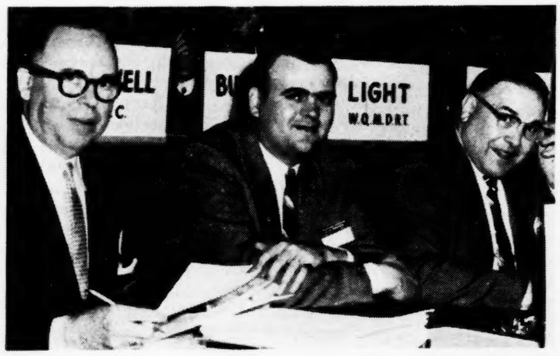
Multi-Million Dollar Producing General Agent needs assistant to handle recruiting, training, supervision and brokerage. Established agency —specializing in Estate Planning—MUST BE QUALIFIED. Give Experience & personal history. Replies Confidential. Box T-64, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

NATIONAL UNDERWRITER PHOTOGRAPHS:

Scenes from NALU Midyear at Roanoke

Pictured here are a few of the people who attended the NALU midyear at Roanoke recently. (More pictures on page 24)

Checking on an estate - planning case between sessions at the NALU meeting in Roanoke: From left, Robert R. Reno Jr., Equitable Society, Chicago; David B. Fluegelman, Connecticut Mutual, New York City, past president of NALU, and Alfred S. Howes of the Fluegelman agency.



Trustees and committee chairmen at the NALU midyear meeting; from left, Harry N. Phillips, Sun Life of Canada, Detroit, group insurance; Fisher Simmons Jr., Pan-American Life, New Orleans, relations with other organizations, and William E. North, New York Life, Evanston, Ill., disability insurance.

At the start of the national council session during the NALU midyear meeting at Roanoke: From left, Oren D. Pritchard, Union Central, Indianapolis, NALU secretary and chairman of the state law and legislation committee; Albert C. Adams, John Hancock, Philadelphia, NALU vice-president and chairman of the social security committee: Marvin Kobel, NALU editor of publications, and Carlyle M. Dunaway, NALU counsel.

The candidacy of Ellen Putnam (third from left, front row), National Life of Vermont, Rochester, N. Y., was announced at the midyear meeting of NALU at Roanoke. Shown here, from left: Eunice Bush, Mutual of New York, Baton Rouge, former trustee of NALU; Norma Wasson Bard, Phoenix Mutual, Manhattan Beach, Cal.; Ellen Putnam and, behind her, Alberta Light, National of Vermont, Royal Oak, Mich.; at right, Laura Benham, Prudential, Niagara Falls, N. Y.

Executive Committee of ALC Meets in Ohio

The appointment of Frank D. Logan as assistant actuary of American Life Convention was announced following a meeting of the ALC executive committee last weekend in Cincinnati. Mr. Logan, a native of Scotland and former actuarial staff member of Sun Life of Canada, will assume his duties at the Chicago office of ALC about May 1.

A reception and dinner also followed the Cincinnati meeting, at which John A. Lloyd, president of both American Life Convention and Union Central Life, was host. The affair was in honor of the executive committee of ALC and its 21 living past presidents. A number of Cincinnati civic and business leaders were present.

Presiding as toastmaster, Mr. Lloyd introduced William Saxbe, attorney general, and C. William O'Neill, governor of Ohio, both of whom spoke briefly, and John W. Bricker, U. S. senator from Ohio, who discussed atomic energy for peaceful uses. He was Ohio governor when Mr. Lloyd was insurance commissioner.

Members of the executive committee went from Cincinnati to Nashville for the ALC regional meeting early this week. A report of the Nashville meeting appears elsewhere in this issue.

Continental Assurance Now Grading All Premiums

(CONTINUED FROM PAGE 2)

thousand thereafter. The total premium is derived from two sources: A basic rate plus an adjustment factor of $2.50 a thousand up to a maximum of $10 a policy. The unit (per thousand) cost, then, for $10,000 coverage is substantially lower than that for $1,000. And the unit cost decreases as the coverage over $4,000 increases.

Here's an example of how Continental Assurance's "quantity discount" works. The basic rate (ordinary life, non-participating) for a man, age 35, is $18.76 per thousand plus the additional charge of $2.50. A $1,000 policy would cost him $21.26 annually; a $10,000 contract amounts to $197.60 per year or $19.76 per thousand; and a $100,000 plan would run $1,886 in total annual premium or $18.86 per thousand.

Incorporating a principle long used in other industries, Continental's quantity discount plan gives the life insurance buyer the same advantages he already enjoys when buying many other commodities. In this way, he enjoys an advantage made possible by large purchase economies. It is axiomatic that administrative and service charges of handling a life insurance policy decrease on a unit basis as the face amount increases.

PR in Life Insurance Coming of Age

(CONTINUED FROM PAGE 2)

possible to tell the life insurance story personally. It can be assumed that information by word of mouth is better understood than by advertising, sales promotion, publications or publicity, he said.

Sales promotion provides an excellent means of opening the door to the salesman. Publications enable the salesman and employe to better understand company objectives and learn how procedures may affect the future. Publicity tells the public how well the company performs.

Life insurance advertisers have compiled an astonishing record in selling an idea to the 100 million policyholders in the U. S., said William B. Lewis, president of Kenyon & Eckhardt advertising agency. But now is not the time to relax because the future will bring challenges which will make the work interesting and rewarding.

DEATHS

RICHARD W. DE LAMATER, 84, retired chief underwriter in the A&S department of Aetna Life, died at Hartford hospital after a long illness. He joined the accident claim department in 1910.

STOCKS

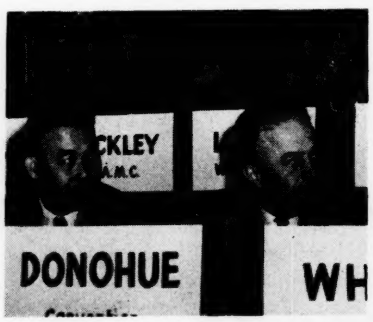
By H. W. Cornelius, Bacon, Whipple & Co. 135 S. La Salle St., Chicago, April 2, 1957

	Previous Week's Bid	Current Bid	Current Asked
Aetna Life	176	175	178
Beneficial Standard	17⅛	17¼	17¾
Cal.-Western States	86	86	88
Colonial Life	91	92½	95
Columbian National	78	78	80
Commonwealth Life	20½	20½	21½
Connecticut General	242	240	244
Continental Assurance	114	113	115
Franklin Life	89½	91½	93½
Great Southern Life	77	76	80
Gulf Life	26	25½	26½
Jefferson Standard	87	85½	87½
Kansas City Life	1110	1120	1140
Life & Casualty	20¾	21	22
Life Insurance Investors	13⅞	13⅞	14¼
Life of Virginia	97½	97	99
Lincoln National Life	198	196	199
National L. & A.	82	84½	86½
North American, Ill.	18	18¾	19¾
N.W. National	89	88	91
Ohio State Life	270	267	275
Old Line Life	56	56	59
Republic Natl. Life	38	38	39¼
Southland Life	83	81	84
Southwestern Life	93	91	95
Travelers	77	80¾	82
United, Ill.,	22	22	23
U. S. Life	26¼	26½	27½
West Coast Life	46	46	47½
Wisconsin National	53	53	56

More Pictures of Roanoke Meeting

Chatting before the opening of the NALU national council session at the Roanoke midyear meeting: Stanley C. Collins, left, Metropolitan Life, Buffalo, immediate past president, chairman of the functions and activities committee and of the committee of past presidents, and Albert C. Adams, John Hancock, Philadelphia, social security committee chairman.

Between sessions at the NALU midyear meeting: Frank G. McNamara, Old Line Life, Waukesha, Wis., chairman of the resolutions committee and a candidate for NALU trustee, and William H. Pryor, Connecticut Mutual, Wauwatosa, Wis., field practices chairman.

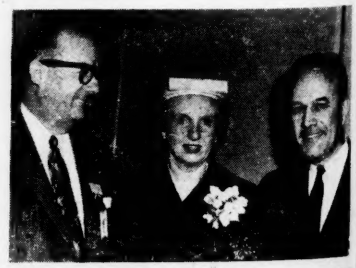


A trustee and committee chairmen on the dais at the NALU midyear meeting in Roanoke: From left, Q. L. Ching, Prudential, Honolulu, relations with attorneys; Jack White, Prudential, Los Angeles; Back row, L. Mortimer Buckley, New England Life, Dallas, General Agents & Managers Conference, and Mrs. Alberta Light, National Life of Vermont, Rroyal Oak, Mich.

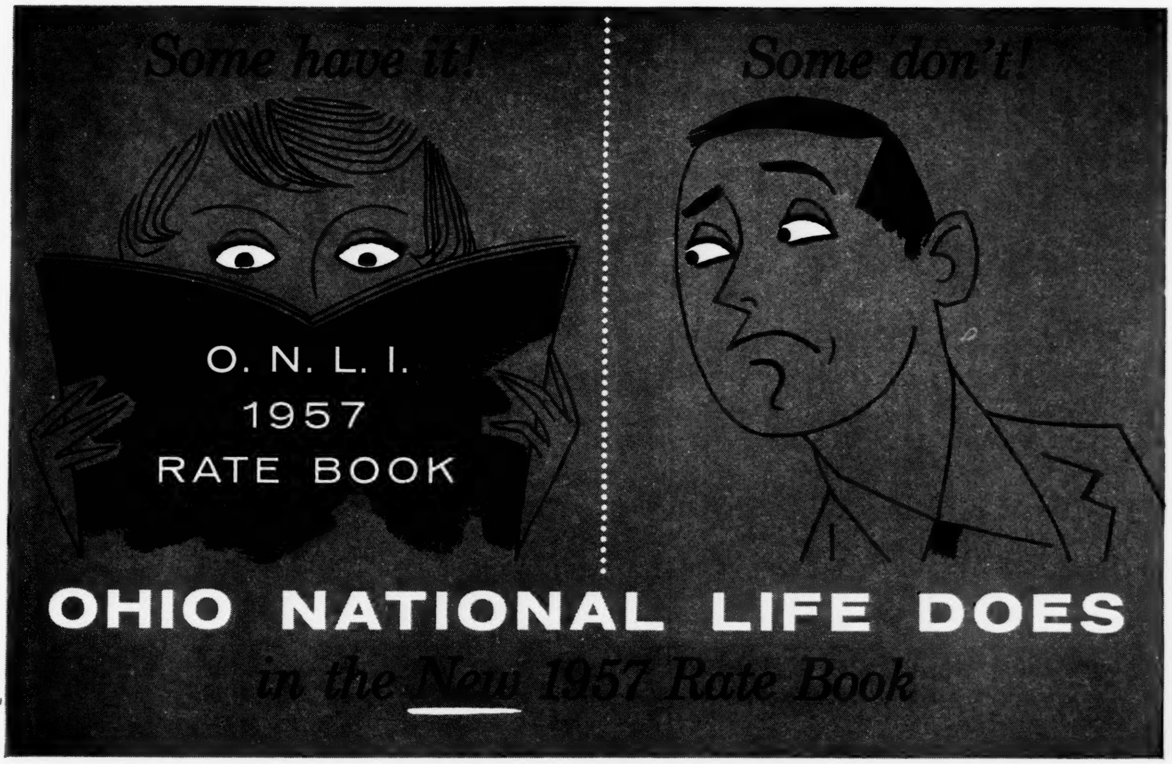
Managing Director Lester O. Schriver of NALU gives his report at the national council meeting at Roanoke.

At the Roanoke midyear meeting of NALU: J. Hicks Baldwin, New England Life, Washington, D. C., NALU treasurer; President A. Jack Nussbaum, and Louis J. Grayson, Travelers, Washington, D. C., NALU trustee and chairman of the veterans' and servicemen's committee.

President A. Jack Nussbaum of NALU and Mrs. Ann Bickerton, NALU director of field services, chatting before the NALU national council session at Roanoke.



Three committee chairmen at the NALU midyear: R. E. Wood, Phoenix Mutual, San Francisco, nominating committee; Mrs. Thelma Davenport, Northwestern Mutual, Washington, D. C., women underwriters, and NALU Trustee John C. Donohue, Penn Mutual, Baltimore, convention program.



Take a LOOK at these . . .

Life Plans

Econ-o-life (Endowment at 90)— Special $10,000 minimum, participating premiums as low as any you'll find.

Thriftmaster (Endowment at 90, paid up at 65) — Special $10,000 minimum, competes anywhere.

Modified Three and Five — designed especially for today's young executive market.

Endowment Plans

Super 60 — special endowment at age 60 with return premium death benefit — the most copied plan on the market!

Retirement Income Series — A complete line featuring flexible retirement dates and different income options.

Attractive Annuities

A complete portfolio, both annual and single premium. Flexible retirement dates and options.

A Host of Low Cost Term Plans and Riders

Level Convertible 5, 10, 15 Year Term Policies. *5 Year Renewable Term* — Convertible to 60, renewable to 65.

Term to Age 65 — Convertible to 60.

10, 15, 20, 25, 30 Year Decreasing Term Plans.

New Low Cost Multiple Protection Rider — level term (with 20% increase in death benefit first 3 years). 10, 15, 20 year periods — convertible.

Plus

Supplementary Benefits — Waiver of premium and $10 monthly disability income per $1000 face amount, coverage to age 60. Low Waiver of Premium rates. Reduced rates on D. I. Most plans available from age 0 up.

Liberal non-medical privileges, with increased amount limits.

A complete line of policies for Pension Trust. Group life plans for small or large groups.

The plans listed above are only a few of the many shown in the 1957 Rate Book.

THE Ohio National Life INSURANCE COMPANY CINCINNATI

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Now—New York Life announces

a new convenience for its policy owners—

CHECK-O-MATIC®

pays your insurance premiums safely, surely

every month out of your regular checking account

yet you never write a check!

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Check-O-Matic premium is less than if you pay monthly the usual way!

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No inconvenience every month of writing checks or mailing them!

SAVES YOUR POLICY!

Prevents possible lapse of your policy—due to forgetfulness!

Through the cooperation of your local bank, New York Life can now offer you Check-O-Matic—a new method of premium payment. It ties in with the modern American practice of budgeting everything by the month. It makes the monthly payment of insurance premiums *completely automatic*—you never lift a pen or lick a stamp!

Here's how Check-O-Matic works: First, you authorize New York Life to draw checks on your *regular* checking account for your monthly premiums. Then you authorize your bank to honor these checks—just as though you signed them yourself.

That's all there is to it . . . you budget a proper balance in your account and you do nothing more from then on, *thanks to your local bank*. The canceled check is your receipt. All you need to qualify for Check-O-Matic is a New York Life individual Life or Accident & Sickness insurance policy which has a monthly premium of $10 or more.

Equally important, Check-O-Matic actually makes your premiums lower. For example, on a new life insurance policy where the regular monthly premium would ordinarily be $51.94, the Check-O-Matic premium is only $50—*a saving of $23.28 a year!*

Ask your New York Life agent for complete details about this wonderfully convenient, wonderfully simple, wonderfully safe Check-O-Matic service.

New York Life

Insurance nylic Company

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